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Special Articles

Realizable Assets Supporting Our War Loans,
By H. M. P. Eckardt.

Retail Marketing and the Productive Process,
By W. W. Swanson, Ph.D.

Comments on Current Commerce,
By E. S. Bates.

Conditions in the West,
By E. Cora Hind.

Banking and Business Affairs in the U. S.
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The Income Tax

WHEN details come to be considered room for criticism and for amendment may be found, but so far as their principle and purpose are concerned there should be general approval of the Government's proposals for an income tax. Taxes of any kind are not usually pleasing to those who have to pay them and the present proposals will not be exempt from that general rule. An income tax is sometimes objected to as one of an inquisitorial character. On the other hand it is a fair tax inasmuch as it "tempers the wind to the shorn lamb"—adjusts the burden in accordance with the ability to bear it.

Hitherto income tax has been employed in Canada for municipal purposes only, and not generally for them. As a local tax some objection may be raised to it. There is sometimes a seeming unfairness in it, for it taxes for local purposes income derived from operations far away, which receive no benefit whatever from the funds into which the tax is paid. Cases of that kind are very numerous. A man who has investments in British Columbia and comes to reside in an Ontario town is obliged to pay to the town a tax on his income, though he does no business there and receives no more benefit from the town's service than his neighbor who may pay little or no income tax. This seems to be unjust. Some argument can thus be used against such a tax for local purposes. But in the case of a national tax such objections disappear almost wholly. It is true that there may be cases in which there will still be an appearance of similar injustice, where the income of a Canadian arises from investments abroad, but such cases will be comparatively few. With few exceptions Canadian capital is invested in Canada and the income from it is a legitimate subject for taxation for the purposes of the Dominion at large.

The general plan adopted by the Minister of Finance seems fair and reasonable. The income of a single man up to \$2,000 and that of a married man up to \$3,000 are to be exempt from the tax. Thus the mass of the people, those whose incomes are of a very modest character, will not be called on to pay this new tax. These, however, are already paying indirectly through the operation of the customs and excise laws their full share of the burdens of the time. Those who are fortunate enough to have incomes in excess of the figures given are to pay taxes beginning at 4 per cent and increasing in percentage until a rate of 25 per cent is reached in the case of the most wealthy. If there is room for amendment of the scale it is probably on the 25 per cent rate, which might well be higher. The tax of 4 per cent on the man who is assessed on \$2,000 income may be quite a burden to him, and the payment of it, in addition to his other obligations, may mean considerable self-denial,

while the payment of the 25 per cent by the rich man means no self-denial of any of the comforts of life, but only operates as a check on the accumulation of wealth.

It is war-time and the war service which the country is firmly resolved to give calls for large additional revenues. The system of indirect taxation on which we have hitherto relied for revenue is probably yielding to-day nearly all that can be obtained from such methods. The adoption of an income tax seems therefore to be the best way in which the additional revenue can be obtained. And while the measure is adopted now as one for war purposes, the probability is that after the war it will not be abandoned. Revision there doubtless will be, in the light of experience, but the principle of an income tax for national purposes now introduced will probably be found to be useful as a permanent part of Canada's fiscal policy.

Tax Exempt Bonds

THE Minister of Finance has been adversely criticized by a member of Parliament because he has exempted the Dominion loans from taxation. Sir Thomas White's very natural reply was that the promise of exemption from taxation was of material value as an attraction to investors, and that he believed it had much to do with the success of the loans. In transactions of this kind there is a very strong temptation to a Finance Minister to follow the line of least resistance. Unquestionably the exemption from taxation is an attractive bait on the hook which is thrown out to catch the investors' money.

Without questioning the past action of the Minister one may well ask him to consider whether he will be wise in adopting such exemption in his further loan operations. Hitherto there have been no Dominion taxes which could conveniently have applied to Government bonds. The promise of exemption from a form of taxation that did not exist was an easy policy for the purposes of the moment. But if the exemption policy is to be adopted hereafter it may be a case of serving the present at the cost of embarrassment in the future. Now, for the first time, we are to have a Dominion income tax. To give the buyer of a Dominion bond exemption from taxation will hereafter be to give a real exemption, which may easily prove a serious inconvenience to the Government and otherwise open to objections that have not yet been encountered. The chief aim of the income tax is to tax the wealthy classes. These are likely to have a large part of their wealth in the form of Government bonds. If all such bonds are to be exempt from taxation many of the wealthy people will pay little income tax. The reflection that these people, when they bought their bonds, paid a shade more for them than they would have

paid if they had not been promised exemption will then be small comfort to the Finance Department, which will probably find that the exemption privilege was bought very cheaply. If a large part of the wealth of the country is exempt from taxation those who are obliged to pay will not be disposed to regard the situation with satisfaction. There will surely be widespread discontent with the operation of a law which exempts many of those best able to pay, and taxes many on whom the burden will be heavy. The Minister, in placing future loans might consider whether it would not be better for the Government to accept a lower price, or even to advance the rate of interest, to make the loans attractive to investors than to adhere to the policy of exemption which, though it may be found convenient for the moment, will lay up a store of trouble for the early future.

The Question of Excessive Profits

THESE is no question — not even that of the war itself—that comes more closely home to the mass of the people of Canada to-day than that of the cost of living. To the average citizen it is the most pressing question, because it faces him every day, at every step, and cannot be set aside. Hence the recent report of Mr. W. F. O'Connor, K.C., the Commissioner representing the Department of Labor, respecting the large profits of some of the companies trading in foodstuffs has attracted great public attention. The difference between Mr. O'Connor and the packing companies, as disclosed by the report and the companies' reply to it, seems to be one of accounting methods. Mr. O'Connor shows an apparently large "margin" between the cost of production and the selling prices. But it is explained that "margin" does not mean net profit. There are expenses that must be allowed for before the net profit can be declared. It is desirable, therefore, that competent persons be chosen to (1) check Mr. O'Connor's figures, and (2) ascertain the proper charges that are not covered by Mr. O'Connor's report, and thus establish the actual profit made by the companies. If such inquiries show that the companies, even with the high prices current, have made only fair and reasonable business profits, their case will be fully made out and they will have good ground for complaint that they have been unjustly held up to public opprobrium. If the inquiries show that profits altogether unreasonable have been obtained, and especially if there has been anything like combination to attain such ends, the companies and those who control them will be held to a stern responsibility by public opinion.

In ordinary times the law of demand and supply may safely be left to work out its ends. There is a measure of speculation in almost every business and men who take the risks of the market may be left to enjoy the profit or bear the loss, without any interference from public authority. But in times like the present, in the case of foodstuffs and other necessities of life, the ordinary law of business may properly be restricted in its operation, and men who in other circumstances might be allowed entire freedom in speculation may properly be required to have due regard for the needs of the people and to modify their profit-seeking aims. The Prime Minister, in a recent telegram to Sir Joseph Flavelle, of the William Davies Company, said the Government would order a "judicial" inquiry. To the public this implied an investigation by a judge of one of

the courts, and that, probably, was what Sir Robert Borden had in his mind at the time. The inquiry that has now been ordered is not of that kind. However, that need not militate against it. The gentlemen chosen, owing to their knowledge of accounting methods, may be better qualified for the service than any judge would be. It is to be assumed, of course, that care has been taken not to name on the Commission any man who has been in his professional work connected with the packing companies whose affairs are under review. Such connection, it is hardly necessary to say, would in the public mind be a disqualification, notwithstanding the high rank of the men chosen. Assuming that such care has been taken, the three Commissioners seem to be well qualified for their important duties. Mr. Henderson is an eminent lawyer of Ottawa who has had much experience on the business side of the legal profession. Mr. Brodie, of Montreal, and Mr. Clarkson, of Toronto, are members of firms of chartered accountants of high standing. These gentlemen, co-operating as we presume they will with Mr. O'Connor, should be able in a short time to place the facts of this most important matter before the public. The tendency of Government Commissions is to proceed with much slowness. It will be well if the present Commission pursue a different course and give the public at a very early day the results of their investigation. In the meantime it will be only fair for the public to suspend judgment.

The Irish Convention

RECENT events in Ireland, especially the electoral successes of the Sinn Fein party, have somewhat discouraged those who had hoped that the Convention of Irishmen now sitting in Dublin would be the means of reaching a happy settlement of the long-standing Irish political trouble. Nevertheless, the best friends of Ireland are still hopeful of good results from the meeting. The unanimity of the gathering in the selection of officers was a good omen. Sir Horace Plunkett, who was chosen as Chairman, has for many years labored for the welfare of Ireland and has been of much service in promoting the cause of Irish agriculture. None can doubt his sincere desire to advance the best interests of Ireland in all its affairs. Sir Francis Hopwood, who was named as Secretary, is an old official who has had much experience in public affairs, formerly in the Colonial office and later in the Admiralty. The presence at the Convention table of two such able and experienced men should exercise a good influence in moulding the proceedings of the gathering.

The Dublin Convention is the most representative body of Irishmen that has ever assembled to consider Irish questions. Every element in church and state, with two exceptions, is represented, and while those present approach the question of the day from different viewpoints all seem to appreciate the spirit of the occasion and to be anxious to find a solution of the Irish problem. The exceptions are the Independent Nationalists led by Mr. William O'Brien, M.P., and the Sinn Fein organization. The O'Brien section have been bitterly hostile to Mr. John Redmond and the other National leaders, but are advocates of a large measure of Home Rule. O'Brien refuses to participate in a conference in which Redmond will naturally play a prominent part. The Sinn Fein men are the extremists who demand the absolute independence of Ireland, and they have refused to attend the Convention because such a policy is entirely at variance

with that for the promotion of which the meeting was called.

The cry for the complete independence of Ireland is a sentimental one that readily attracts enthusiastic youth who have been filled with the stories of the wrongs of Ireland and who are easily persuaded that the only remedy for Ireland is separation from England. But it is far from probable that a majority of the Irish people would to-day, if asked to express their opinion, vote for an independent Ireland. Whatever may be said of the past, it must be admitted that in recent years, under the legislation of the Imperial Parliament, much has been done to improve the condition of Ireland. The land question, which for so many years was a constant source of trouble, has been largely settled and there can be little, if any, grievance on that score. Ireland to-day is not an unprosperous country. The industrial North is, as usual, busy and prosperous. In the South the improvement in agriculture has brought about much better conditions than those of former years. The Irish farmer is busily employed in catering to the wants of the English markets. Ireland has really few substantial grievances now. But the recollection of injustice remains. It is well that efforts be made to effect such constitutional changes as will make Ireland contented. If the Ulstermen can put aside their old belief that "Home Rule means Rome Rule," and that the Protestant minority would be treated unjustly by the Roman Catholic majority, and if the Irish Nationalists can give assurances against such injustice, it should be found possible to agree on a scheme of Home Rule which would give Ireland all the liberty it can desire in Irish affairs, while maintaining the position of a nation within the Empire. In the presence of a cordial union of the Nationalists under Redmond and the Ulster men under Carson, the eccentricities of the O'Brien section and the folly of the Sinn Fein party would be of less importance than they are at present.

Another School Question

EVEN where the separate school system exists to but a small extent difficulties are found in interpreting and administering the law. A case in point has arisen in Saskatchewan, which is likely to become prominent. While there are very few separate schools in that Province in one of them an issue has been raised which is of much importance and which can only be settled by the Judicial Committee of the Privy Council in England. The right of a minority, whether it be Protestant or Catholic, in a district to have a separate school under certain conditions is admitted. The point raised is, whether all those of one faith must for assessment purposes be treated as a unit, or whether an individual can separate himself from his co-religionists and act independently. A citizen of Regina, who declared himself a Roman Catholic, was dissatisfied with the separate school, and expressed a desire to have his school taxes applied to the public school of the district. The school authorities assumed that he had a right to determine the fund to which his taxes should go, and applied the money as he requested. But this ruling was challenged. It was claimed that under the law as applying to that district the school taxes of all Roman Catholic citizens formed part of the separate school fund. This contention was upheld by the local court, and later by the Supreme Court of Saskatchewan. Now announcement is made that the case is to be carried on appeal to the Privy Council in London.

Realizable Assets Supporting our War Loans

The Dominion Government in Placing its Successive War Loans Before the investing Public Might Derive Additional Benefit Through Setting out the Strong Points of its Position as Regards Reliable Assets

By H. M. P. ECKARDT.

When an industrial corporation seeks a credit from its bankers or offers its bonds to investors by public sale, the company almost invariably emphasizes any favorable points there may be in connection with its quick or liquid assets. If these are of a high class, and if there is a substantial surplus of them, over and above the amount of current or short-date liabilities, bankers and investors are, as a rule, more willing to grant credit to the concern and its financial problems are thereby simplified. This matter is mentioned because sometimes it appears to friendly critics that the Dominion Government, in placing its successive war loans before the investment public here and in the United States, might derive additional benefit or advantage through setting out the strong points of its position as regards realizable assets. The Government has made large loans to the Canadian Northern and Grand Trunk Pacific, and holds the bonds of those companies as security. The realizability of these bonds depends largely on the measure of success which the railway companies attain in their operations. So, while these may in the long run prove to be valuable assets, it would perhaps be unwise to insist too strongly upon their value as realizable assets.

Also it is not permissible for the Dominion Treasury, in connection with its war loan issues, to take credit for its specie holdings, which amounted to \$124,000,000 on June 30th, 1917. This gold represented the reserve against the Dominion note issues and the Government savings bank balances; and only if it were more than sufficient for such reserve purposes could it be reckoned as affording strength or support to the war bonds. As a matter of fact the gold held at this date was somewhat less than the legal requirement. Then, there are the balances in banks, which at times now-a-days reach large proportions, especially after new credits are negotiated. These, of course, are high class quick assets, and they bear directly on the matter of the war bonds; but on the other hand the balances at credit of the Finance Minister in the bank may perhaps be practically offset by the accounts in adjustment, etc., which he must shortly pay. The bank balances are not stable or permanent under present war conditions—they run down very rapidly under the influence of the tremendous outlay upon the war.

However, there is one item of the Dominion Government's assets, supposed to have reached large dimensions, which can properly be considered as realizable assets, which is actually part of the foundation or cause of the Dominion war loans. This is the British Treasury bills. The Canadian Bank of Commerce July Commercial Letter says that at least \$150,000,000 of the \$350,000,000 procured through the flotation of internal war loans, have been advanced by the Government to the Imperial Munitions Board, which means the British Government, presumably on Treasury bills. It mentions that the banks have also advanced the Munitions Board \$150,000,000. The situation as regards bank holdings of British treasury bills is fairly clear. On April 1st, 1916, the chartered banks took roundly \$75,000,000; on July 1st, 1916, \$25,000,000; and in January, February and March, 1917, \$50,000,000. These bills are understood to have been at 12 months' date; also it is said that the \$75,000,000 and \$25,000,000 issues due respectively April and July, 1917, were renewed. So the total holdings of the banks at present appear to be \$150,000,000. The amount and maturities of the Government holdings are not so clearly understood. It is known that the Finance Minister advanced \$50,000,000 to the Munitions Board, out of the proceeds of the first domestic war loan; and it is supposed that \$50,000,000 of the proceeds of the second war loan were similarly applied. Then, a little while ago, the announcement was made that the chartered banks in June, July, and August, 1917, were to advance the Finance Minister \$75,000,000 on three and four months' notes—the Minister presumably using the proceeds to make fresh credits aggregating \$75,000,000 to the Munitions Board. When the Bank of Commerce July Letter appeared, probably two-thirds of the new credit had been provided; and this \$50,000,000, along with the \$100,000,000 previously advanced by the Government,

would make up the total of \$150,000,000 mentioned in the Commerce Letter. Apparently in August when the final installment of \$25,000,000 is turned over by the banks, the Dominion Government's loans to the Munitions Board will amount to \$175,000,000. Now the question, of interest to war loan subscribers, is this. On completion of this recently arranged credit, will the Dominion Government's holdings of British Treasury bills in connection with its own advances to the Munitions Board, amount to \$175,000,000? If the Dominion Government took one-year treasury bills, as did the banks; and if the maturing batches were renewed, it would appear that our national treasury holdings of British bills could be reckoned as \$175,000,000. Proceeding on that assumption, the domestic war loan situation would be something as follows: total issues of internal war loan bonds, \$350,000,000; short-date Government notes held by the banks, \$75,000,000—making an aggregate of domestic borrowings, \$425,000,000, against which the Dominion Government holds \$175,000,000 of British Treasury bills maturing within one year.

TO CANADA'S CREDIT.

Put in that way the situation redounds more to Canada's credit and has a greater tendency to strengthen the war bonds in the estimation of home and foreign investors, than if the total amount of domestic loans is stated without any clear explanation of the amount of British bills acquired and held. The newspapers have contained on certain occasions statements by the Finance Minister giving the amounts paid out by the Dominion Treasury on account of British Government purchases here, also the amounts of repayments by Britain and the balances still due. The newspaper accounts have not made it clear whether these payments and repayments referred to matters apart from the credits

granted to Munitions Board. If there is, in addition to the treasury bill holdings, any substantial balance in current account, so to speak, owed by Britain to Canada, it would be advantageous for us to elucidate the position.

It is, of course, understood that the Dominion Government owes the United Kingdom a considerable balance in current account in connection with the pay and maintenance of the Canadian expeditionary forces in France and Flanders. Some time ago over \$100,000,000 of this floating debt was settled through delivery to the British authorities of long-date Dominion Government bonds; and the impression prevails that further balances now due or to become due in this account, may be settled in the same way through the issue of 20, 25 or 30 year bonds. In view of this, it would not be altogether correct to regard the open account against us in London as offsetting to that extent our holdings of British Treasury bills. While the British Government may renew certain issues of its treasury bills, pending the flotation of new war loans, it is not likely that it contemplates asking Canada to finally accept settlement in the form of long-date British bonds, for the short date bills and for any open account debtor balances, owned by us. The probability is that our running accounts against the mother country and part of our holdings of British short-term bills will be included in the general clearing up and refunding operations carried through by the Imperial Exchequer from time to time during the war. It may be the case that payment for the whole debt will be gradual, but the general opinion in Canadian financial circles is that the British Government knows too well our chronic need of capital for development purposes to ask us to carry its bonds for any long term of years. When the war ends the ultimate financial settlements will likely be arranged largely by Britain, the United States and France. There will be huge balances owing by certain of the Allies to Britain and the United States, and probably vast sums in the way of reparation to be provided by Germany. In the light of these enormous transactions, our claims against Great Britain, though they may look large to us, will appear relatively insignificant. It will be an easy matter for the British and American Governments to arrange matters so that we can utilize in New York or elsewhere such holdings as we may have of short-date claims on Britain.

Book Reviews

The Sunday Law in Canada (Dominion Law Book Company, Toronto, \$3.00, 130 pages), by Geo. S. Holmsted, K.C., of the Ontario Bar, deals with Roman Sunday Laws, Saxon Sunday Laws, English Sunday Laws, and then with Sunday Laws of Upper Canada and Ontario. This law relating to public holidays is fully discussed.

The author points out that the British House of Commons has occasionally sat on Sunday and that a question as to the legality of the Dominion Parliament sitting on Sunday was raised in the spring of 1896 and its legality affirmed. Sunday trading, contracts made on Sunday, and games and amusements on Sunday are fully dealt with.

The now well known Quebec Case on *Rex. v. Charron* 15 S.C.C. 241 is discussed in which it was held that a moving picture show without any verbal explanation or musical accompaniment, but for which an admission fee is charged, is not a violation of the Provincial Act 7, Edw. 7, C. 42, prohibiting the pursuit of an ordinary business or college, as the words in the French version of the Act show that it is intended only to apply to sales of goods, mercantile business and manual occupation.

Matrimonial Jurisdiction in Ontario and Quebec, (is published by Dominion Law Book Co., \$2.00, formerly Arthur Poole & Co.), the author being George Smith Holmsted, K.C., of the Ontario Bar, who elaborates his oft-repeated opinion that decrees of nullity of marriage pronounced by Quebec Courts were, and are, pronounced without proper jurisdiction. He also quotes authorities to support the contention that the High Court of Justice for Ontario has no matrimonial jurisdiction and that the Provincial Act 1 Geo. 5, C. 32, purporting to give such jurisdiction is ultra vires. There is an interesting analysis of the cases tried in the Quebec Courts.

The author pleads for the establishment of a Dominion Matrimonial Court. A postscript discusses at length the famous Hebert case, decided by the late lamented Mr. Justice Charbonneau.

The Marriage Laws of Canada. Dominion Law Book Co. (\$2.00; formerly Arthur Poole & Co.) is also by Geo. S. Holmsted, K.C., of the Ontario Bar. Practically the whole text is devoted to an argument in opposition to the practice of the Quebec Courts which nullify marriages on the strength of the *Ne Temere* decree of the Council of Trent. The whole ground is well covered.

An interesting note tells us the author is opposed to absolute divorces as being opposed to the true interpretation of Scripture. In this he follows the teaching of the Roman Catholic Church, which says the marriage is a nullity or if there has been a marriage that there may be a separation. The author regrets that a temporal law sometimes permits a violation of the Divine law or what is generally believed to be the Divine law. He points out that many Christians and non-Christians entertain no scruples as to the propriety of divorces a vinculo, but if there is diversity of opinion divorce decrees should be judicial and for well defined causes and not according to the fluctuating opinions of a parliamentary committee.

ROD AND GUN FOR AUGUST.

Bonnycastle Dale writes of experiences with wild-fowl on the Pacific Coast in the August issue of *Rod and Gun*, which is now on the news-stands, while in *The Letter of the Law*, Leslie Hayward describes entertainingly the experience of a typical Maritime Province guide with a troublesome party in New Brunswick woods.

Banking and Business Affairs in the U. S.

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

NEW YORK, July 28.

Events of the past week have probably done more to awaken the people of this country to the seriousness of the war situation than anything which has happened in the last three years. If there were misguided persons who saw in the conflict on the other side no danger to ourselves, they have revised their views in the light of recent developments. Already there is talk of defensive measures for protecting our own shores, coupled with redoubled efforts for aiding in the offensive on the European battlefield. From an extreme of confidence or unconcern, public sentiment has now swung to the other opposite, and is not only sanctioning extraordinary military measures but demanding that they be undertaken with a speed which no Government could possibly achieve. We are brought face to face now with the high cost of providing insurance at a time when the world is on fire and realize at last the money and men we might have saved by earlier preparation. But in the ranks of business and among the varied activities of the Government, the most strenuous efforts are being made to gain with the least possible delay that stride which we might long ago have attained had we entered the war, say, at the time the "Lusitania" was sunk. Working under pressure, the industries of this country can accomplish wonderful results. They are working under pressure now, and could the progress already made be revealed, there would be no reason to fear that American industry has failed to sustain its reputation. Nor is the Government lagging behind in military preparation. The President has cut the Gordian Knot which so long held up the carrying out of the shipbuilding programme, the \$640,000,000 aviation bill has become a law, and the selective draft already put into effect. Taxes and bond issues to a far heavier extent than at first contemplated must be resorted to, and these are being provided for by the House and Senate.

In the face of conditions admittedly serious, the business and financial interests of the country remain absolutely tranquil and strong.

HEAVY LENDING OPERATIONS.

The extent to which we are now making foreign loans may be seen from the fact that within the last ten days the Government of the United States has advanced credits of \$85,000,000 to France, thus bringing the amount of loans made to all the Allied nations up to \$1,523,000,000, or more than half of the \$3,000,000,000 authorized by Congress. The \$85,000,000 loan to Great Britain was consummated on July 20. The \$75,000,000 loan to Russia was made on July 23, and the \$60,000,000 loan to France was also effected on that day. Of the \$1,523,000,000 which has been advanced to all the Allies, Great Britain has received \$770,000,000; France, \$370,000,000; Russia, \$175,000,000; Italy, \$160,000,000; Belgium, \$45,000,000; and Serbia, \$3,000,000.

In addition a short-time loan for \$100,000,000 to the Dominion of Canada is just on the point of being floated by New York bankers. At present it is the policy of the banks to make only such advances as have the sanction of the Government. With respect to the Canadian loan the Secretary of the Treasury stated in a letter to Sir Thomas White, under date of July 25, that in view of the fact that the balance of trade between the United States and Canada was running strongly in favor of the United States it was desirable for Canada to establish credits in our markets to meet these adverse balances, and therefore there would be no objection on the part of the Government to the making of the loan. At the same time the Secretary deemed it prudent to announce that in future we should have to keep control of the situation by determining each foreign offering on its own merits and with reference to the financial conditions prevailing at the time. He closed with this statement: "It is important that our commercial and financial relations with Canada shall be conserved in every reasonable way. The proposed transaction is intended for that purpose."

This is the first foreign Government loan placed in New York since the United States entered the war, although a number of such loans have been made by the Washington Government.

So far as sentiment controls in the making of loans—and it indisputably plays a strong part under present conditions—there is of course every reason why New York bankers should readily make this advance. For the business reasons to which the Secretary of the Treasury refers the propriety of the loan is equally plain; and for the high character of the security

offered the loan is exceptionally attractive from the pure investment standpoint.

THE MOUNTING WAR EXPENDITURES.

It now seems likely that our expenditures for the first year of the war will far exceed the very generous estimates heretofore made. Already loans of \$7,000,000,000 have been authorized and in part issued. The War Revenue Bill, as still pending in the Senate, provides for some \$1,670,000,000 additional taxation for war purposes. Now comes the report that the Secretary of the Treasury will ask for \$5,000,000,000 more to be included in the provisions made for the fiscal year which ends with June 30, 1918. It is even regarded as probable that there will be some later additions to these huge totals, with the possibility of reaching a maximum of \$17,000,000,000. Manifestly all this will not be expended by the United States in paying for the first year of the war. Of the loans already authorized \$3,000,000,000 has been allotted to the Allies in exchange for their obligations, and the new loans may be partly absorbed in a similar way. Furthermore, much of the money we are providing now will not be for the temporary requirements of the present fiscal year but will be expended for purposes of a more or less permanent character.

No disposition whatever exists to balk at these huge outlays, or the heavier ones which the future may require. They will be met to any extent which victory over Prussian militarism may require. What does occasion some concern, however, is how to apportion the heavy taxes with the minimum disturbance of business, and how to raise the great loans without seriously curtailing the supplying of funds absolutely essential to the conduct of the ordinary operations of trade and industry. With the best of intentions on the part of the Government authorities, some mistakes will be made, though it must be said that up to the present moment all the vast requirements of war financing have been met with little inconvenience to the requirements of manufacturing and commerce. Probably the pinch is yet to come. At all events, long-time loans will probably command a higher rate from this time forth.

Some interesting facts regarding the growth of these institutions were brought out at the annual meeting of the United States League of Local Building and Loan Associations held in Boston the last week in July. A report made at the meeting showed that the building and loan associations of the United States increased their assets a little over \$112,000,000 during the past year and made loans to their members for the purchase of small homes to the extent of \$413,000,000.

The total number of associations on December 31, 1916, was 7,034, an increase of 228 for the year, with a total membership of 3,568,342, an increase of 233,443, and assets aggregating \$1,696,707,041. The increase in membership was seven per cent, while the increase in their assets was a little over seven and a half per cent. The average amount due each member is \$475.49, as against \$445.05, the amount shown last year.

The aggregate receipts for 1916 were \$1,061,913,023, an increase of \$94,999,600 over the previous year. The receipts from weekly dues were \$32,694,918 in excess of 1916, and the mortgage loans made were \$61,468,763 in excess of the previous year. The total expenses of management for all associations amounted to \$9,583,253, which is a little less than nine-tenths of one per cent of the total receipts, about the same as in previous years.

Perhaps the success achieved by these institutions was the more certain from the fact that they appealed to one of the primary instincts—the desire for home-ownership. In these days, when such colossal sums of money be raised for the purpose of carrying on war, it may be that another primal instinct—patriotism—will have to be relied on to induce people to save in order that they may buy Government bonds. In fact, while the building and loan association provides means for building a home, the war loan goes a step further and protects the home from the danger of invasion.

Leading financial men in this country are coming to realize that to absorb the vast war loans which it may still be necessary to float, there must be an organized savings movement that will bring within its circles the masses of our people; in short, that national salvation demands national saving, and on a scope far beyond what has yet taken place.

Statistics have been compiled showing that the im-

ports of gold into the United States for the fiscal year ending June 30th amounted to \$977,176,026, and exports \$291,921,225, making the net imports \$685,254,801, the latter figures being without precedent. Last year the net imports were slightly above \$400,000,000, making the net gain for the two years more than \$1,000,000,000.

Talk of danger from the "flood of gold," which was quite common a few months ago, is no longer heard, and some concern has been expressed about the moderate shipments of gold to Japan—a movement quite normal in view of the large favorable balance recently established by that country in its trade with the United States.

It is a debatable question as to whether or not the future course of the international gold movement will continue as markedly favorable to the United States as it has in the past two years. The Allies will continue buying here, though probably on a lessened scale in some lines. We shall be maintaining an army constantly increasing in size, and expending considerable sums of money abroad. Whether this will much influence the gold movement or not, remains to be seen.

With the recent modifications in the reserve provisions of our banking law, we are doing business on a diminished margin of gold compared with what was formerly required. But since we must do a great deal more business, both the increase in the gold supply and the diminution of the legal reserves of banks have contributed to make this possible. Whatever views one may hold as to the danger of inflation through the large imports of gold, or as to the same result as a consequence of lessened bank reserves, the conclusion is unavoidable that we could not have done anything like the present volume of business without at least some of these elements of credit expansion.

TIGHT MONEY.

The Journal of the Canadian Bankers' Association, which speaks for the banking interests generally warns business men that they must moderate their demands for accommodation.

"With the tightening of the money markets here and in New York," says this article: "It is becoming increasingly apparent that the resources of the Canadian banks will be severely taxed by the requirements of the business interests of the country and the special governmental demands upon them. Imperial as well as Canadian, arising out of the war.

"While the successful prosecution of the war is the immediate purposes to which all other considerations are secondary, it does not necessarily follow, in the opinion of economists, that all available cash resources are to be unreservedly turned into war channels. The duration of the war is an uncertainty, and if business is crippled, and profitable manufacturing production is paralyzed by withdrawal of the necessary capital, there will very shortly be an end of money for the war itself.

"Britain has maintained her financial position and consequent ability to maintain her increasing armies in the field by exports increased in annual volume since the war began. Canada and the Canadian banks cannot ignore at this juncture this object lesson of British financial management. The creation of wealth is the correlative of its conservation if Canada and the banks are to 'carry on' financially until the end of the struggle.

"There are two principal reasons why Canadian bankers should warn their friends, the merchants and manufacturers of the Dominion, against over-stocking.

"First, the outlook for trade in Canada, after the war, is obscure to a greater degree than ever before, and manufacturers and merchants must guard against finding themselves with goods on hand produced under fictitious conditions as regards cost of labor and material, for which there may be little demand, even at heavy loss.

"The second reason Mr. E. F. Hebden gave in his timely hint as to how the commercial demand for discounts might be diminished to a certain extent without appreciably cutting down our productive capacity, in his address to the Merchants' Bank shareholders on June 6th, when he referred to "the unreasonable buying and storing of raw material far ahead, and excessive contracting in advance on borrowed money practised by some clients of the banks.

"There has not yet been serious pinching in the matter of money supplies, and if customers generally recognized it as a patriotic duty to limit their demands for loans, there will be a better chance of avoiding or escaping a prolonged stringency; at the same time the banks will have a freer hand in extending financial support to the Government.

Conditions in the West

By E. CORA HIND.

WINNIPEG, Man., July 27.

Conditions in the west are by no means satisfactory so far as crop is concerned. The heat has been intense and the rainfall exceedingly scanty since July set in. Rain fell over a considerable area last night, but it was not general. The frost of the 21st of June gave the crop a great set back and there has never been a sufficient volume of rain since to overcome that set back. Pretty well all the wheat is in head, but straw is very short and heads promise to be short also. All coarse grains are short and many of the crops are light.

Even with a good rain right now and fine weather with occasional showers for the balance of the filling season there cannot be more than a two third crop, and that is only possible with a soaking rain all over the west immediately and there is not much prospect of a general rain at present. The only thing which promises to be a full crop at the moment is potatoes.

Hay crop is both short and light. In spite of the great heat there has been little hail damage so far, excepting a few districts in northern Alberta and

one strip two miles wide and eight miles long in Saskatchewan.

The labor problem is still unsolved, officially, though there is a tentative arrangement between Ottawa and Washington to use the army of harvest hands which year after year come from Oklahoma to North Dakota and Montana. If the arrangement proves up it will probably meet the requirements to a very considerable extent. The number of men required will not be so great as if there were a full crop. There are districts, however, where there will be 30 and even 40 bushel crops and these will require their full quota of men.

SAMPLE MARKETS.

The announcement of a sample market at Fort William almost concurrent with the announcement of a fixed price for wheat is a curious anomaly. It is understood farmers organizations are still officially protesting against this being done. There is absolutely no excuse for its establishment at the present time and the only people who can possibly benefit by it under a fixed price for wheat are the mixing elevators

at Fort William and they, as a matter of fact are the only people who have pressed for it.

Some of the farmers' organizations attribute the sudden announcement to a political scheme on part of the Hon. Robert Rogers in view of an approaching election, his idea being to go to the country with a cry that he has given them free wheat and sample markets.

Grain exchange men shrug their shoulders and refuse to discuss the matter.

The circuit of big western fairs is drawing to a close and 1917 will go down in history as the new record for livestock exhibits both as to numbers and quality. There has never been anything like these fairs in the west before. The greatest improvement is in the sheep and swine classes. The increase in these has been from 50 to 75%. Sales of livestock have been good at all the shows and very fancy prices are being paid for good rams and good boars.

Some idea of the demand for stallions may be gathered from the fact that the famous Bar U ranch has sold 24 purebred Percheron stallions of their own breeding since March last. The cheapest of these stallions would be not less than \$1,500.

There has been a phenomenal demand also for bulls of beef breeds and quite a number changed hands at Brandon to go to the United States.

Canadian Sales Abroad

Canadian Exports In First Six Months of Year Totalled \$620,234,481.

Exports of Canadian produce in the first six months of the current year were valued at \$620,234,481, an increase of \$144,778,000, or about 30 per cent., over the record total reported for the corresponding period of 1916. As compared with the corresponding period of 1914, before war demands created an insatiable demand for everything that Canada could supply, the increase is \$472,004,000, or about 320 per cent.

Taking the preliminary figures as reported month by month from Ottawa, and completed for the half year by the June statement issued the other day, the following comparisons of six months' exports of Canadian produce on the one hand and imports entered for consumption on the other may be made for a period of six years:

Six months.	Exports.	Imports.	Balance.
1917	\$620,234,000	\$534,608,000+	\$85,625,000
1916	475,456,000	350,104,000+	125,352,000
1915	216,171,000	205,759,000+	10,412,000
1914	148,230,000	260,336,000-	112,106,000
1913	160,621,000	340,266,000-	179,645,000
1912	139,594,000	291,871,000-	152,276,000

(+)-Excess of exports. (-)-Excess of imports.

The figures as given in the foregoing exclude the bullion returns, which are complicated now by special transactions having no bearing on Canadian trade, and also exclude exports of foreign produce through Canadian channels. They deal entirely with what Canada has sold abroad out of her own store and what she has purchased from abroad for her own use.

IMPORTS RISE SHARPLY.

While the figures are highly satisfactory, it may again be noted that Canada is not doing as well as a year ago in respect to her balance of trade with other countries. The export gain of about 30 per cent. must be considered along with a gain of about 52 per cent. in imports.

In the first 6 months of 1916 we established a favorable balance of about 125 millions; this year it is less by about 40 millions. While we have been speeding up our sales, with considerable benefit from high prices, we have also been buying abroad more heavily.

It is not easy to say how much of the buying has been necessary and how much could be set down to extravagance resulting from the great prosperity of the moment. Heavy buying of raw materials to go into goods which are later exported as manufactures no doubt is a large factor in the expansion of imports, but hardly the only one. It would be a matter of regret if this more rapid expansion in our purchases as compared with our sales should mean that our favorable balance has turned definitely downward for the time being.

The figures of the June statement show a considerable falling off from the high level reached in May. In the latter month there was the usual spring

rush of goods which had been waiting on the opening of navigation for shipment. In June, conditions in that respect would naturally be more normal.

As compared with May there was a falling off of about 33 millions in exports and a falling off of about 10 millions in imports. As compared with June a year ago there was a gain of about 21 millions in exports and a gain of about 31 millions in imports.

June figures for six years compare as follows:

June.	Exports.	Imports.	Balance.
1917	\$116,285,000	\$97,515,000+	\$18,770,000
1916	95,635,000	66,399,000+	29,236,000
1915	42,805,000	35,324,000+	7,481,000
1914	28,000,000	45,750,000-	17,750,000
1913	33,619,000	57,957,000-	24,338,000
1912	29,246,000	53,587,000-	24,341,000

(+)-Excess of exports. (-)-Excess of imports.

RETURNS BY MONTHS THIS YEAR.

This year's returns of exports and imports by months show:

1917.	Exports.	Imports.	Balance.
January	\$99,106,259	\$73,323,074+	\$25,783,185
February	68,224,383	68,030,469+	193,914
March	122,415,313	102,335,886+	20,079,427
April	65,145,449	86,807,809-	31,662,360
May	149,057,236	107,596,379+	41,460,857
June	116,285,841	97,515,067+	18,770,774

Totals \$620,234,481 \$534,608,684 + \$85,625,797
(+)-Excess of exports. (-)-Excess of imports.

Details of June exports in the usual classifications, with comparisons, follow:

	June, 1917.	June, 1916.	May, 1917.
Mine	\$4,961,037	\$7,755,875	\$6,323,572
Fisheries	1,185,376	1,267,883	1,105,506
Forest	5,451,576	5,846,672	5,007,147
Animals, etc.	7,331,668	8,473,780	11,376,808
Agricul.	57,869,423	38,744,527	71,793,023
Manufct.	39,021,170	32,252,447	52,949,625
Miscell.	465,591	1,294,678	501,555
Totals	\$116,285,841	\$95,635,862	\$149,057,236

WORLD'S WEEKLY SHIPMENTS.

Wheat-	
America	9,678,000
India	976,000
Argentina	307,000
Australia	1,276,000
Others	40,000
Total	12,277,000
Last year	14,462,000
Corn-1,608,000; last year 2,558,000.	
Oats-4,174,000; last year 5,437,000.	

REDUCTIONS IN PRICES OF BREAD AND MEAT IN GREAT BRITAIN.

Baron Rhondda announces a reduction of 25 per cent in the price of bread at an early date. A graduated reduction in the price of meat for the army and civilians, which by January will mean a thirty per cent decrease from the amount now paid also was announced. In discussing these reductions with the Associated Press, Baron Rhondda said:

"Steps have been taken to control the profits of butchers and others in a manner to ensure that the benefit will accrue to the consumer. The Food Controller is handicapped to a certain extent by a lack of knowledge of what the United States expect to do. Consequently, exhaustive price fixings are now difficult. It is hard for us to fix our prices until the United States has fixed hers.

"We have done much toward reducing the consumption of bread through economy. Twenty per cent less bread is consumed now than last year through a stoppage of waste and other elements. This has been done notwithstanding the recent shortage in potatoes which, happily, are plentiful now and reduced in price.

"During the past week I have been consulting with representatives of organizations in various localities, and they have promised every assistance in seeing that the orders of the Ministry are obeyed. Now, if we order a maximum price, we will be sure that it will be carried out."

AMERICANS LOOKING FOR PULPWOOD.

"The James W. Sewall office, timber explorers and surveyors, Old Town, Maine, reports the following work going on. Kenneth McR. Clark with two assistant cruisers and other labor is in the upper St. John region of Maine, exploring 50,000 acres there. R. L. Whitney with three assistant cruisers and labor is exploring 100,000 acres on the lower St. John watershed. Wentworth Peckham with two men is cruising 10,000 acres on the divide between the head of the St. John River and Penobscot waters. W. P. Billings with an assistant cruiser and several men is cruising 10,000 acres on the divide between the head shed. C. E. Cobb with an assistant and labor is exploring 75,000 acres on the upper Allegash. A. J. Preble with two assistant cruisers and labor is exploring 85,000 acres on the Aroostook River watershed; O. W. Madden, with an assistant cruiser and help is exploring 100,000 acres in the Red and Fish River watersheds. James A. Connors is exploring 10,000 acres in Nova Scotia; Francis Dougherty about 20,000 acres in New Brunswick and A. C. McPheters is making a rough reconnaissance of some 300,000 acres in western Ontario.

The Sewall office has about 50 men out and states that business is rushing as far ahead as can be seen. Pulp wood is being looked after much more than saw timber at present."

"Has prohibition made a difference in Crimson Gulch?" "Some," admitted Broncho Bob. "The boys now go and put their money in the bank their own selves instead of lettin' the barkeeper do it for them."
-Washington Star.

Retail Marketing and the Productive Process

It has long been realized, by those who are in a position to know, that the distribution of economic goods is but another phase of the productive process

By W. W. SWANSON, Ph.D.

Now and again criticism is heard to the effect that the retail merchant is a non-producer—that however useful he may be he adds nothing to the value of goods in the productive process. This reasoning, however, is quite antiquated and is ready to be thrown upon the scrap-heap of outworn economic theories. It is true that the classical economists lent the weight of their authority to this conception of the function of the retailer. Such masters of the science of economics as Adam Smith, Ricardo and John Stuart Mill, wrote and reasoned much concerning the production, distribution and consumption of goods. It has long been realized, however, by those who are in a position to know, that the distribution of economic goods is but another phase of the productive process—that the so-called "finished" goods that leave the factory are not produced in the truest sense until they are transported, it may be thousands of miles by sea and land, and finally placed in the hands of the ultimate consumer.

Most people understand quite readily that the railroad and ocean shipping are factors in the productive process even although they are being utilized merely for the distribution of goods. It puzzles them, however, when the term "production" is applied to the merchant who keeps goods in stock and distributes them over the counter to his customers. The problem becomes perfectly clear, nevertheless, when it is realized that production, in the true economic sense, consists solely in adding utilities to goods—utilities of time, of place, and of form. The carpenter manifestly is engaged in productive work when he shapes wood into the form of tables and chairs, although he thereby adds nothing to the material with which he has been furnished by nature. It is a well known law in physics that matter cannot be created nor destroyed, although it may be gathered together and dissipated in a thousand different ways. The wood-worker, therefore, produces an economic good not in the sense of creating any material thing, but merely by making that material which nature itself has provided for man more useful. Factory workers and others engaged in similar occupation add utilities of form to the goods upon which their labour is expended. The cold storage operator, who stores up in the months of abundant foodstuffs for the lean months, is adding to those goods utilities of time. The shipping company that transports wares from place to place gives to them place utilities. And the merchant who stocks his shelves with seasonable goods adds to them utilities of time and of place. He is, therefore, the producer *par excellence* in the community, bringing together the producers of one hundred and one different commodities and the final consumers. All this may seem very obvious, but it is in need, nevertheless, of continual emphasis. One grows weary, for example, of the editorials in the Canadian press, as well as of the news items, which constantly refer to middlemen as "non-producers." In truth, it is the fashion today to speak of fishermen, miners, farmers and factory workers as the sole producers in the community—that is, those men who are extracting materials from nature, or working upon them. When it is understood, however, that production consists, as has been said, merely in the adding of utilities to goods it will be realized that the middleman is as truly a producer as anyone else in the community, and for that reason, if for no other, can find his justification for his place in the community.

ESSENTIAL WORK.

It is, however, not sufficiently impressed upon the public mind how great and important a function is performed by the retailer. Consider merely the simple breakfast of which you partook this morning and the materials necessary to provide it. Your plate came from Staffordshire, your cutlery from Sheffield, your linen from Belfast, your pepper from Sumatra, your coffee from Java, your sugar from Jamaica, your cereal from Niagara Falls or Battle Creek, your wheat bread from Saskatchewan, your egg from Swift's or Armour's storage plant, your marmalade from Dundee and—But enough. It is surely plain to the veriest Helot that the retailer, co-operating

with the wholesaler, has ransacked the world to serve your simplest needs. And yet he has been called "non-producer!"

The retailer performs a further essential work through specializing in his market operations. In days gone by producers and consumers were compelled to carry on the bargaining process mainly through fairs and public markets, a very laborious process, indeed. In backward communities merchandising is still carried on largely in this way. At Nizni Novgorod, in Russia, is found today one of the greatest, if not the greatest, annual fair in the world. There foregather the caravans from Turkestan, the peasants from far off Tobolsk, the Jews from Lodz, Minsk and Warsaw, and many other non-descript traders from within the vast Russian Empire. The business turn-over is enormous, but so also is the labour involved. One can hardly realize that the people of past centuries were forced by circumstances to trade largely in this manner. The merchant, acting as middleman, has eliminated all the wastes and loss of time and labor involved in bringing together the scattered producers and consumers, and has performed a service thereby of inestimable value to the state.

It is necessary, also, to draw attention sharply to the fact that consumers, as well as retailers, gain economically in the modern merchandising process. It is too generally held that merchants somehow or other gain at the expense of buyers—that a good bargain, from their point of view, is one that shows a profit to them and a loss to the consumer. This traditional view of the merchant's functions comes down from the Middle Ages, and centres around the old theory of a "just price." Such a price was regarded as fair only when the merchant received a return for his actual labour and nothing by way of interest upon the money sunk in the enterprise. There is much talk today of a "fair" price—manifestly one which has to do with the ethics of the productive process. Manufacturers, wholesalers and retailers from this point of view are expected to deliver the goods to the consumer at, or close to, the cost of production—that is, at a price that will cover merely the expenses involved and a reasonable return as wages of superintendence. This obscures altogether the fact that in almost all bargaining there is a margin of surplus within which the two parties to the transaction may manoeuvre for position. The producer—and the retailer is a producer—manifestly has a lowest cash price beneath which he cannot sell without actual loss; but the conditions of the market are such that he can generally obtain a higher price which will give him a surplus return. Likewise the consumer, in each case, can determine the maximum price that he can afford to pay; but the conditions of the market usually bring it about also that he is not obliged to pay so high a price, but one considerably lower—a price indeed which will yield to him a surplus. It is by realizing the validity of these facts that the modern economist can confidently assert that, in the vast majority of cases, both the merchant and the customer, the producer and the consumer, gain in every business transaction. It is obviously absurd, therefore, to contend that the retailer flourishes at the expense of the community. He is not only a producer, in the strictest economic sense, but he renders a service to society that is of the utmost importance. He is, indeed, the forerunner of the factory efficiency expert; for his main function has been to eliminate waste of time and of place and to bring manufacturer and customer together with the least possible friction and with a minimum of delay and loss.

INCREASED SPEED.

The retailer adds greatly to the productive process, also, by increasing the speed at which it is carried on. The rapidity of operation of the machinery of a modern factory is of no less importance than the equipment itself. Indeed, so essential is this in some lines of manufacturing that the plants are operated night and day. In a great smelting centre such as Sheffield or Pittsburg the blast furnaces redden the skies day in and day out, week by week, and month by month throughout the whole

year. It would be too costly to close them down or to permit the ovens to cool. The same factor, the full utilization of the equipment, makes all the difference between profit and loss in the railway business. Western farmers clamour for cars to move the wheat crop and fail to understand that if the Canadian railroads increase their equipment to the extent essential to move the crop within a few months, it would necessitate the holding of thousands of cars idle during a great part of the year. It is because of the holding of equipment idle for long periods that transportation companies find it so difficult, during normal years, to run the business at a profit. This explains why, also, railroad companies fight so hard, notwithstanding traffic agreements with one another, to get the extra traffic that makes all the difference in their profit and loss statement. True, western farmers must also carry, in sum total, an enormous capital value of equipment during many idle months, in their harvesters, threshing machines, drills, plows, and so forth. There is still room here for a vast amount of planning to be done by the agricultural efficiency expert when he arrives. Now it is just in this direction that the retailer performs his best service for society. He keeps stocks moving, pushes trade in every direction, increases the rate of turnover, speeds up commerce, and by so doing makes it possible also for wholesalers, producers of raw material, and factory operators to keep their equipment utilized to the fullest extent. What that means to the manufacturer of boots and shoes, of textiles and so forth, is not adequately appreciated. Insurance upkeep and repairs are constant throughout the year. If the volume of output can be increased the fixed charges can manifestly be spread over a great number of products, and the cost per unit materially lowered. This results in a double gain—a gain to the manufacturer and to the consumer, and one which is mainly effected by the thoroughness, the enthusiasm and the enterprise with which the retailer conducts his business. Those who loosely talk of the functions of the middleman, and assert that his day is done have really no glimmering of the enormous importance of the role which he plays.

The latest indictment to be brought against the retailer, and the wholesale establishments with which he is associated, is that the present distributive process entails enormous waste in advertising. The getting of a market for commodities is essential to the whole productive process; and, as has been explained, goods cannot be said to be really produced until they are placed in the hands of the consumer. In days gone by the Town Crier paraded the streets, the highways and the byways, and cried the wares of his employer to the townsfolk. The only modern analogy to this is the Dutch auction which is still used by itinerant merchants and dealers in second-hand goods. The "sandwich-man" sometimes appears on the streets of great cities to advertise amusements, but seldom to create a market for goods. The press is indispensable to the retailer and the wholesaler of our day if goods are to be marketed expeditiously and effectively.

There are other important phases, however, of the advertising problem, that in this connection, must not be lost sight of. Advertising widens the market, increases sales, and thereby lowers the cost of production. Those critics who complain of the waste of advertising lose sight almost altogether of the obvious fact that volume of sales tells tremendously in cheap and efficient producing and marketing of goods. As already explained, overhead expenses must be carried by the manufacturer whether the output is large or small; and for this reason the extent of the market and the volume of output become a matter of paramount importance to the producer. An expenditure of \$100,000 per annum, or even of \$1,000,000, can be more than justified provided the volume of sales is increased to the point where the burden per unit of the overhead expenses is reduced to a minimum. In this case the manufacturer may, and likely will, secure a larger net profit on his total output, and the retailer will make a larger profit through his increased turnover also, without laying any additional burden upon the consumer. In truth, the reverse is the case—the consumer can purchase two articles at the former price of one. It may therefore be confidently asserted that the heavy advertising expenses of modern merchandising lay, in reality, no burden upon the community at large, and that they are a most efficient factor in creating a market and in establishing new wants, and therefore in enriching life for the consumer. For the more wants that are created among men and women, the more goods must be produced for their satisfaction, and therefore the more employment for all. Beneath the use of money, modern economic life consists merely in the exchanging of goods for goods; and in this process the retailer plays an important, if not the main, role.

Comments on Current Commerce

By E. S. BATES

FOOD CONSERVATION: Meatless days, baconless breakfasts, rye bread, vegetable dinners and dietetic lunches are now a reality in Canada. Many clubs have already signified their intention to follow the food conservation policy dictated by the Food Controller to the letter. Undoubtedly, thousands of families will take similar voluntary action. The result is obvious. Thousands of pounds of meat and flour will be saved from consumption in Canada for shipment to Europe to defeat the U-boat menace. It is hoped that the Food Controller will carry his work much further than merely asking for voluntary conservation on the part of consumers. While the effectiveness of price-fixing is open to grave doubt judging from reports emanating from Great Britain, much can be done in preventing fictitious prices, and in reducing the present disparity between the prices paid the producer and those paid by consumers. It is somewhat strange to the average citizen why the investigation of the charges contained in the O'Connor report was not placed under the jurisdiction of the Food Controller. In fact, there seems to be too much investigation and too little effective conservation.

The United States Food Controller has presented the heads of American railroads with a few suggestions for conservation in dining cars that are of interest. Canadian roads have already practised economy in this regard. No doubt, their example will be widely followed. The recommendations are, as follows:

1. All wheat, bread and butter portions are to consist of not more than two medium sized slices of bread or toast and one pat of butter, and a charge should be made for them. A charge should also be made for all crackers or biscuits. Charge for each extra pat of butter.
 2. Serve no wheat bread, crackers or wheat cakes for lunch or breakfast. Use instead, corn bread (baked thin), corn muffins, corn cakes, fried mush, rye bread, oatmeal, oat cakes, buckwheat cakes, rice cakes. Serve honey and syrups with cereal stuffs whenever possible as substitutes for cream and sugar.
 3. Make tarts instead of pie, leaving off bottom or top crust.
 4. Avoid entirely use of wheat bread, toasted, to be served under chops, squabs, chickens, entrees, game, etc.
 5. Serve beef, mutton or pork not more than once per day. Reduce size of all meat portions by one-half, making some charge for second portion. The average meat portion should not exceed five ounces served. Increase fish and sea food courses and make specialties of them.
- Make special dishes of hashes, cooked-over meats, croquettes, etc., to avoid waste.
6. Serve chickens, eggs, pigeon, squabs, rabbit, fish.
 8. Serve cottage cheese.
 9. Use no butter in cooking. Fry foods in animal fats or vegetable oils. Serve cream in individual portions with special charge.
 10. Serve liberal portions of all vegetables and fruits in season. Encourage use of potatoes. Make a specialty of baked beans and brown bread.
 11. Avoid waste by serving smaller portions, particularly of bread, butter, meats, milk, cream, sweets.

THE WOOL SITUATION: It is expected that approximately 600,000 pounds of Western fleece wool will be sold in Toronto during the first week in August under the direction of the Federal Live Stock Branch. This wool is now being collected in warehouses where it can be inspected. It is probable that auctions will be held along the same lines as the great wool sales at Coleman Street, London. This wool is being marketed by members of the sheep-growers' association of the Western provinces. It is said to be in good condition, clean and well-prepared. It is expected that prices will range from around 60 cents per pound for choice lots.

The Eastern clip is about all marketed, the major portion of it being sold by dealers and through co-operative sales to Boston firms at prices away above those ruling in the English markets. Unfortunately, these prices have been prohibitive to Canadian mills. At present, dealers are paying from 78c to 80c per pound for unwashed, Eastern 63c to 65c for unwashed fleece, fine, and 56c to 58c for unwashed fleece, coarse.

The first shipment from Australia under the arrangement with the Canadian Wool Commission was landed at Vancouver last week. The shipment amounted to 1,999 bales of washed. It now appears that the Australian Government finds it impossible to make further shipments of washed wools, owing to the imperative needs of Russia before navigation through northern ports is closed. Canadian mills will, therefore, have to content themselves with unwashed, and delivery will be greatly extended. As it is freight space is very scarce. There is only one boat a month from Australia to Canada, so that shipments are necessarily limited. The mills however, are generally fairly well off as to wool supplies on hand.

TEXTILE EDUCATION.—Some time ago one formation of the Canadian Textile Institute was commented upon in these columns. Since then, branches of this main body have been established at Montreal, Toronto and Hamilton. The purpose of these organizations is to assist in the promotion of industrial educational facilities in Canada to teach textile arts and manufactures. These studies will include designing, chemistry of textile manufacture, textile calculations, and elementary work in all branches of the textile trades. It is proposed to establish schools at these centres in connection with existing industrial schools. Additional branches will be formed in other textile centres.

So far, in Canada the textile industry has received little consideration in this connection, the result being that the youth of the country are not attracted to this important industry as a life work. England and the United States have made rapid strides in furnishing educational facilities for textile schools. There is no gainsaying that this has been an important feature in the development of this great industry in these countries. From all appearances, Canada will not long be behind in this important detail.

U. S. NAVY A WOOL BUYER.—The United States Navy Department has taken matters into its own hands to ensure an adequate supply of wool for uniforms at a satisfactorily low price. The Department recently asked for bids on two and a half million yards of woolen uniform cloth. In this connection it has purchased a large stock of wool in Texas, Oregon and Montevideo. Bidders will base their quotations on the price at which they can purchase this wool from the Department, but if it is to their interests to use their own wools or purchase supplies elsewhere they are at liberty to do so. The Department has also conducted researches with a view toward furnishing woolen mills with an adequate supply of suitable dyes. It is said that the efforts in this direction have proved successful. This is a new departure in Government purchasing and it will be interesting to see how it works out. The Department states that this policy eliminates competition for raw stock among contractors, and tends to stabilize prices.

TAX THE BACHELORS.—An unfortunate feature of the Income Tax proposals announced by the Finance Minister is that the vast majority of single men having no dependents will be exempt. There are in Canada today thousands of wage-earners, single men with no family responsibilities, earning just under 2,000 a year, who are perfectly able to share the tax-burden but upon whom no call whatever is made. This group includes an army of mechanics, munition workers, salesmen and others, who are making little effort to support war finances. For the duration of the war, at least, surely the Income Taxation might be levied to touch this large source of revenue.

MONTREAL AND ATLANTIC COAST.

Daily Train Service Via Grand Trunk.

Leave Montreal 8.00 a.m. and 8.20 p.m. arrive Portland 7.00 p.m. and 7.30 a.m. Leave Portland 7.45 a.m. and 7.30 p.m. arrive Montreal 6.50 p.m. and 7.25 a.m. Through Parlor Car and Cafe Car on day trains and through Sleeping Cars on night trains. Illustrated literature and full information on application to M. O. Dafeo, 122 St. James St., Montreal.

NO SHORTAGE OF SUGAR.

World Supply Greater Than Last Year.

Although prices remain high owing to the tremendous demand for sugar for normal trade consumption and that of the Allied troops in Europe, assurance is given that in spite of reports to the contrary, there is no shortage of the commodity in sight. According to United States Food Controller, Herbert C. Hoover, there is no need for any talk of sugar shortage, and certainly no justification for sensational advances. Mr. Hoover has recently issued a statement of the facts, as he finds them based on authentic crop reports. The statement is as follows:

"There will be no shortage in sugar production this year save in Europe, and this will not be large, according to a statement on production and crop resources, and the needs of the United States and the world obtained to-day from official sources. Apparently the shortage of our Allies and of the neutrals of Europe can be readily supplied from our resources if shipping can be secured with which to transport it, and it is allowed to follow the natural channels of trade in this country without speculative interference.

"On June 30th, Cuba, with the harvest just closing, had a combined balance on hand and estimated production for this year of 1,062,815 tons, as compared with 804,368 tons a year ago, and 1,018,284 tons two years ago. The present crop and the balance of supply of Cuba are, therefore fully up to normal.

"The cane sugar crop of the United States for the harvest ending in January last, furnished 310,900 tons, as compared with 288,620 tons for the previous year, and an average for five years of 241,837 tons. This was a notable increase. As for the coming crop, the harvest of which takes place from this month until January next, the acreage planted was higher, but there has been some damage by drouth, so it is estimated that it will be about equal to the last harvest.

"The beet sugar crop of the United States, the harvest of which was finished in January last, gave a production of 820,657 tons, as compared with 874,220 tons for the previous year and an average of 724,346 tons for a previous five-year period. The sowings for this year, the harvest of which occurs from this month to January next, are much larger than last year, 808,889 acres, as against 672,116 acres, with an estimated production of 1,002,400 tons. This will be much the largest production of beet sugar the United States has ever grown.

"In Hawaii there was an increased production last year, 644,000 tons, as against 592,763 for the previous year, and an average of 598,465 tons for the preceding five years. Porto Rico also showed a gain, last year producing 481,751 tons, as against an average for five years of 390,165 tons.

"Cuba for five years previous to the war supplied the United States with 43.1 per cent of its sugar, and during the past three years has furnished 53.6 p. c. The United States during the five-year pre-war period produced 22.9 per cent of sugar for home consumption, and the past three years has produced 21.7 per cent. Hawaii has declined in the supply to this country from 14.1 to 12.7 per cent. Porto Rico also shows a slight decline in the amount furnished us. The only total loss to this country is in the Dutch East Indies, and this was less than 5 per cent of our total supply.

"The world supply for the present year is estimated at 18,659,792 ton, against 18,528,048 for the previous year of 1915-16, and 20,755,960 for 1914-15, and an average production of 18,712,997 tons for a period of five years prior to the war."

ALGONQUIN PARK.

The Algonquin Provincial Park of Ontario is a region of expansive lakes abounding with the sportiest of fish, of hurrying streams, primeval forests of pine, spruce and fir, where almost every species of Canadian fauna roams in freedom; cool sward and wild upland bush, swept by pine scented winds; ideal camping spots and sylvan retreats. Everything in fact that is dear to the heart of the lover of outdoor life. Splendid hotel and log cabin camps operated by the Grand Trunk Railway. A charming place to spend a summer holiday. For handsome illustrated booklet write to or call on M. O. Dafeo, City Passenger Agent, 122 St. James St., Montreal, Qua.

English After-the-War Problems

The Relations of Labor and Capital

(From a London Correspondent.)

It is generally agreed that of all the problems to arise for consideration after the war the new relation of Labor to Capital is the biggest and likely to prove the most troublesome. It may be well, therefore, to understand more completely what steps toward a solution are being taken and how the forces are arrayed.

In the nature of things Capital is not so deeply organized as Labour. There is no such necessity in the case of Capital. Before the war there was hardly any general organization of employers, although associations in various industries frequently consulted them for mutual advantage. During the war, however, two large organizations embracing representatives of all the important industries have come into being.

The first of these is the Federation of British Industries, a body which numbers amongst its members representatives of all the big employers, whose aggregate subscriptions constitute a large fund. Another organization is entitled the Association of Employers and Employed—a name which more closely reflects the general feeling in this country that when the war is over there must be more accommodation between Labour and Capital.

In this summary of the position there is no room to mention the many smaller and subsidiary organizations set up ostensibly for the same purpose. Yet it would be useless to deny that these associations of capitalists and employers are not always looked upon as disinterested by organized labor. Time will prove the sincerity of the protestations now so frequently made in favor of friendly intercourse with a view to permanent benefit to both parties.

This attitude of friendliness has been expressed within the last few days by a report of a sub-committee of the Reconstruction Committee on the Relations between Capital and Labour. This Reconstruction Committee, which has been sitting for a long time, was appointed by the Government, and in its turn has appointed sub-committees to deal with the various aspects of after-the-war problems. It is significant that the first report it should issue should be one dealing with the basic consideration of the relations between Capital and Labour. The sub-committee suggests the establishment for each industry of an organization representative of employers and work-people, "to have as its object the regular consideration of matters affecting the progress and well-being of the trade, from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community." More definitely, joint standing industrial councils are suggested. At present the scheme of the sub-committee is before employers and trade unions for their consideration, and the Government has stated that "if the scheme is adopted each of the trades affected will be invited to discuss the best method of putting it into operation."

It is more difficult to describe the steps taken by organized labor in approaching this great problem of the future. It is more difficult, because the organization of labor assumes different shapes almost from week to week.

The strike in the engineering industry last May was an illustration of this. The discontented element repudiated the authority of their union officials and followed the leadership of shop stewards and others. The Government attitude toward these unofficial leaders was thoroughly consistent. The Ministry of Munitions pointed to its "repeated undertakings to the great trade unions," and insisted on maintaining its policy of meeting the authorized representatives of these unions, either alone or accompanied by any other body they desired to bring with them. And the Minister stated in Parliament that, "if we were to recognize, without the concurrence of the executive of the trade unions, those men professing to represent strikers, we should aim a blow at the very foundation of the whole trade union movement."

In spite of this it seems likely that the trade unions themselves will have to broaden their representative character, so as to embrace under one authority

all the elements of discontent. Unless this is done negotiations between employers and employed will be ineffective.

Unfortunately there is no sign yet of complete unanimity among the rank and file of Labour in any industry. The wayward element is smaller in some industries than in others, but its existence anywhere is always a danger. The repudiation of official leaders has been very frequent, and if the Government is to treat with them alone as representing their industries they must certainly find some means of broadening their constituencies.

Meanwhile the "Council of Workers and Soldiers' Delegates," is organizing itself throughout the country. It is confessedly an imitation of the Russian Council similarly named, but in reality it is the means taken by the Independent Labour Party to restore its position in the country. The building up of this new organization is being watched with keen anxiety. If it should succeed in attracting the less contented elements of Labour the authorized trade union movement will be unable to extend its influence as widely as it ought.

As a kind of link between Capital and advanced Labour there has been brought into existence the British Workers' League, of which the Minister of Labour himself is a prominent and active member. The League aspires to a programme similar to that recommended by the Reconstruction Committee mentioned above.

It is perhaps too much to hope that in the future the relations of Labour and Capital will be simplified as much as the war has shewn to be desirable. But there is a fair amount of elasticity on either side, and at least it is probable that relations and the machinery of negotiation after the war will be more thorough than they have ever been.

London, July 12th, 1917.

FIFTY YEARS OF CANADA'S PROGRESS 1867-1917.

	Per cent.
Area from 540,000 square miles to 3,729,665	= 590
Population from 3,600,000 to 7,600,000	= 111
Wheat crop from 17,000,000 bus. to 220,000,000 bus.	= 1194
Oats and Barley crop from 54,000,000 bus. to 584,000,000 bus.	= 981
Dairy Production, 74,000,000 lbs. to 416,000,000 lbs.	= 462
Exportable Surplus of Agricultural Products from \$13,000,000 to \$480,000,000	= 3592
Fisheries from \$6,500,000 to \$31,200,000	= 375
Minerals from \$10,000,000 to \$137,000,000	= 1270
Forestry from \$34,100,000 to \$175,000,000	= 383
Manufactures from scarcely any to \$1,300,000,000	=
Iron and Steel from \$2,800,000 to \$49,800,000	= 1643
Foundry Products from \$7,300,000 to \$36,700,000	= 403
Meat Products from \$3,890,000 to \$78,400,000	= 1963
Smelting from \$298,000 to \$52,700,000	= 17584
Cottons from \$781,000 to \$20,500,000	= 2524
Flour Mill Products from \$39,100,000 to \$112,525,000	= 187
Paper from \$1,000,000 to \$29,300,000	= 2830
Steam Railway Mileage from 2,278 to 35,582	= 1462
Freight handled from 5,600,000 tons to 101,390,000 tons	= 1711
Passengers carried from 5,200,000 to 46,300,000	= 790
Electric Railways from none to 1,590 miles	=
Passengers carried, none to 614,707,000	=
Postal Revenue from \$808,000 to \$13,000,000	= 1509
Foreign Trade from \$114,100,000 to \$2,000,000,000	= 1653
Exports from \$45,500,000 to \$1,151,300,000	= 2430
Bank Assets from \$79,800,000 to \$1,839,000,000	= 2192
Total Deposits from \$33,600,000 to \$1,418,000,000	= 4120
School Expenditure from \$2,500,000 to \$56,000,000	= 2140

—The Southam Press.

THE JAPANESE SILK TRADE.

War Conditions Have Given Impetus to Industry.

By E. S. BATES.

The war has given a great impetus to the silk industry of Japan. For the past two years that country has been the chief source of supply of raw silk for the manufacturers of this Continent, and, in addition, Japanese exports of silk materials have shown a big increase during this period. This condition has been brought about owing to the reduced crops of France and Italy due to the war, the high cost of reeling, limited shipping facilities from Europe, and abnormal freight and insurance rates. In fact, exports of Italian and French silks to America during the last two years have been almost negligible. The changed condition has been most noticeable ever in Canada. Practically for the first time Canadian departmental stores have had their buyers in Japan during the past year purchasing silks, and other materials for which the chief source of supply was formerly in Europe. Japanese industry has developed wonderfully. The silk trade has kept pace, and silk continues the chief article of export.

Silk is grown throughout Japan. The principal producing province is Shinshu, situated in the middle portion of the country. Zakahama is the chief and only silk market, and there all the silk grown in the country is concentrated and accumulated for sale. The industry of silk-raising is carried on chiefly as a side-line to agriculture, which is, practically altogether, intensive. According to a recent statistical investigation, 26 to 27 per cent. of the farmers are engaged in the industry. The total quantity of silk cocoons raised in Japan in 1916 was 5,708,463 Koku, compared with 4,647,428 in 1915, and 2,970,727 Koku in 1906. A Koku equals 4.9629 bushels. Last year raw silk and its manufactures occupied about 38 per cent. of the total amount of export.

Although the Japanese Government has made long and strenuous efforts to standardize the silk production of the country, so far these efforts have proved futile. At present, according to one notable authority, there must be as many as 2,000 different grades and varieties of raw silk. Each mill produces a certain grade which varies widely with the season and the time of manufacture. For the purposes of commerce, these are reduced to from ten to twenty varieties.

The qualities determining the grades of silk so far as mechanical tests are concerned are: elasticity, tenacity, and evenness. But the most important quality, that is lustre, and what is called "silk touch" or "handle," can only be judged by the expert. It is something that no machine can measure, hence the difficulty in the way of standardization.

The total Japanese production of raw and waste silk in 1915 amounted to 45,216,711 pounds valued at \$108,437,513.32. The quantity of raw silk produced in that year was 33,503,609 pounds, valued at \$105,296,391.42. The total quantity of raw silk exported in 1915 amounted to 316,697 bales, equal to 23,603,780 pounds, valued at \$75,711,197.96.

United States, of course, is the largest consumer of raw silk on this continent, and ranks among the largest in the world. Since the outbreak of war her imports of raw silk from Japan have increased greatly, from 19,514,556 pounds in 1915, to 23,424,399 pounds in 1916, and the value grew from \$64,131,898 in 1915, to \$109,104,476 in 1916. Measured in bales this increase was from 145,235 to 174,135. The fluctuations in value of the product have been clearly shown of late. It was in the month of November, 1914, that the lowest prices ever recorded for Japan raw silks were reached. For the two grades largely used by our silk mills, extra and No. 1 flature, the former being used in making up the warp and the latter for filling, the prices were, respectively, \$3.00 and \$2.75 per pound. At present the quotations for the same silks are \$6.50 and \$6.00 per pound, an increase as you will see of over 100 per cent. Incidentally these prices are the highest ever attained for these two grades since Japan silks have been imported to this country in any consequential quantity, a period in excess of forty years.

Normally quotations for the two grades referred to average about \$4.00 and \$3.75 per pound, therefore present prices are more than 60 per cent above normal.

Public Opinion

REVENGE OF THE SPUD.

(Southern Lumberman).

A recent press dispatch from Denver is to the effect that potatoes rival oranges and apples in price in that city's markets. This reminds us that it was in Colorado that potatoes were first given the contemptuous nickname of "spuds." And now a judgment has come upon the people!

WORTH THE COST PRICE.

(Boston News Bureau).

It is not often that Wall Street misses the most important news of the world, but where is the quotation in which can be reflected the greatest movement for the world's peace that could possibly take place? There is actually under consideration at Rome a proposal for an understanding between the English, the Russian and the Roman Catholic Church. Indeed, the proposal goes so far as to invite an inquiry into the continuity of the ordinations in the Anglican Church from the original church of Rome.

Every student of history grappling with the peace problem has found the causes of war to have their base in nationality and religion. The modern proposal is to measurably obliterate nationality by a league of nations. Nobody had dreamed of the possibility of the great churches of the world recognizing their fundamental fellowship.

If from this war could come a fundamental recognition of the brotherhood of man through every religious faith in the world and the inauguration of a higher nationalism embracing all the nations of the globe maintaining the peace and promoting the trade relations of the world, and the interchange of man's products, even this greatest of world wars would in its cost and sacrifice fade away in comparison with two such results.

THE FADING AWAY OF TURKEY.

(Southern Lumberman).

As everybody knows, the Turks, in the fourteenth century swarmed over from Asia and took possession of a large portion of Europe; but perhaps not every one realizes the rapid decrease of Turkish power which has taken place in comparatively recent years.

From an historical standpoint a century is but a short period. It has been less than a century since Turkey controlled all the territory lately held by all the Balkan states — Serbia, Montenegro, Roumania, Greece, Bosnia, Bulgaria and Albania. In addition to this territory, Turkey had great possessions in Asia and also held dominion over Egypt and nearly all of northern Africa, including Tripoli. At that time Turkey was a power in Europe. She had a navy, too. The Turkish navy was shattered at the battle of Navarino, in 1827, by the united fleets of England, France and Russia. The Balkan states fought Turkey, off and on, for 500 years. Greece was finally severed from Turkish rule in 1832; Roumania in 1861; Serbia in 1867; Montenegro in 1878; Bulgaria in 1879; Bosnia in 1908; Albania in 1913. In 1913 also Turkey lost Macedonia. In 1912 Italy took Tripoli. Britain established her sway in Egypt in 1885.

No other nation ever had so much happen to it in one century! And now the same powers which once crushed Turkish power on the water are seeking to complete the destruction of Turkish power on land; they are striving to push the empire over the line into Asia.

During the past century a great deal was written and printed about the wickedness and depravity of the Turk. Frightful stories of Turkish atrocities appeared from time to time in newspapers and magazines. Doubtless some of these tales were true, but it is just as well for the earnest student of history, or of current events, to ask — when reading awful accounts of depravity — "Does this frightful creature own large areas of rich territory?" Human nature is human nature. And covetousness is not confined to individuals but afflicts nations as well. A hundred years ago the Turk held much of the richest territory on three continents. And to this day, he sits at the entrance to the greatest waterway in the world. It is generally understood that in case of an Allied victory, Constantinople — commanding the Dardanelles — will be given to Russia.

A REVOLUTION IN AGRICULTURE.

(Southern Lumberman).

The war in Europe is bringing about great changes in American agriculture. For one thing, sugar-beet growing has been boomed by the shutting out of beet sugar from Europe. Textile mills can no longer get flax from Russia and, as a consequence, the mills have brought about flax-growing in Oregon. Medicinal plants are in great demand and the people of our country are growing some of these, while others — such as peppermint and foxglove — are gathered wild.

"TENACIOUS" HAIG.

(Christian Science Monitor).

A story about the family of Haig, Washington Irving, and Sir Walter Scott, is told apropos of the British commander-in-chief and the latest ally. When Washington Irving visited Scott, at Abbotsford, in August, 1816, he was shown, near Dryburgh Abbey, the tower of Bemerside, the baronial hall of the de Hagas, the Haigs, one of the oldest of the Border families. Scott took the opportunity of reciting the couplet of Thomas the Rhymer:

"Betide, betide, whate'er betide,
Haig shall be Haig of Bemerside."

Irving states that Scott fully believed the prophecy, and gave him evidence to prove that "through all the feuds and forays, and sackings and burnings, which had reduced most of the castles to ruins, and the proud families that once possessed them to poverty, the tower of Bemerside had remained unscathed, and was still the stronghold of the ancient family of Haig." "Tenacious" is one of the adjectives describing the de Hagas, which their descendant in Flanders today is fully justifying.

EXALTED FALSEHOOD AND PROFANITY.

(New York Journal of Commerce).

Lying and profanity are bad habits in a great nation as well as in a small man. In the peace resolution adopted by the German Reichstag a familiar statement is repeated that "Germany took up arms in defense of its liberty and independence and for the integrity of its territories." The rest of the world at least knows that this is not true. The rulers of the German Empire must know that it is false because it is in direct contradiction of their purposes as distinctly avowed in the early stages of the war. It is contradicted by the policy openly advocated for years by political and military leaders and prepared for by the Government. The falsehood that Germany was driven into the war for self-defence is a falsehood so stale that it is getting to be sickening. No doubt a large part of the people believe it, but it is to be hoped that they will learn better one of these days.

If taking the name of the Deity "in vain" constitutes what we call profanity, there has been a good deal of that evil practice among those rulers of Germany in connection with pretty serious matters. Even the Kaiser is not altogether free from the habit. In fact, he has been rather addicted to setting a bad example. The worst form of profanity is using the sacred name in the asseveration of falsehood. Declaring trust in the Deity for support in a bad cause has a suspicious aspect of taking the name in vain in a most unseemly fashion. Among the rather bold statements of the new Chancellor of the empire in the Reichstag that have been allowed to get abroad, is one in which he says "Trusting in God and German might" he ventured to shoulder a great weight "in a most grave time." Suppose that support should fall him, where would the blame be put? At least he would have taken that name in vain, which is a wicked thing to do, though there may be worse.

Chancellor Michaelis's address, as reported by way of Copenhagen, is made up largely of misrepresentation of facts, conscious or unconscious. He says the concentration of the Russian army "compelled Germany to seize the sword." That concentration was for defense against threatened attack and Germany, seizing the sword, was to carry out its menace and not to defend itself. He also denies that the submarine warfare is contrary to international law and violates the rights of humanity, and says that "England forced this weapon into our hands through an illegal blockade." If the blockade was illegal, it did not make indiscriminate slaughter of neutrals on the sea legal. All this is so characteristic that it will only aggravate the situation instead of mitigating it.

ASQUITH'S CLAIMS TO DISTINCTION.

(Christian Science Monitor).

The claims of Mr. Asquith, the great British statesman, to distinction are many, and not the least of them is his remarkable mastery of the English language. He has, in a preeminent degree, what Walter Bagehot once called "the gift of effective expression." Could the inwardness, for instance, of the popular saying, "It is easy to be wise after the event," be more utterly expressed than in the following sentence: "It is easy to make war after the event, when all the doubts and uncertainties and possible contingencies of an undeveloped future have been translated into the rigid ligaments of accomplished facts."

THE RISE OF THE PEANUT.

(Southern Lumberman).

Excerpts from various publications, gathered and published by the Literary Digest, tell of the inroads the peanut is making in the cotton states. It appears that the boll weevil has driven the South to diversify its farming. Then, too, new uses for cottonseed oil were increasing the price of cottonseed. The attention of men who crush cottonseed was then drawn to the imports of peanuts and peanut oil before the war. The mill men discovered that by slight readjustment their machinery could be adapted to crushing peanuts and that peanut oil was worth two cents a gallon more than cottonseed oil. The results of all this are astonishing. According to the figures, Texas last year had 200,000 acres of peanuts—an increase of 1,000 per cent over 1915—and three large mills at Houston have taken up the manufacture of oil and cake. Great areas in Georgia, Alabama, Louisiana and other cotton states, where the weevil has been at work, have been given over to the "goober." The peanut crop of 1916 is estimated at \$56,000,000, as compared with \$12,000,000 in 1908.

"THIRTEEN"

(Wall Street Journal).

Those who refuse to believe the 13th of the month does affect speculation ought to listen to some of the chatter around brokerage houses and even among brokers. As for Friday the 13th, it is a safe guess there are hundreds of traders who refuse to make a trade on the day.

"I am not going to get in or out of stocks today," said a leading customer of a big brokerage house, just before the opening, April 13. "I know many will regard me as a superstitious fool, but I was once badly stung on a certain Friday the 13th, and don't intend to take chances with the Fates."

Brokerage house managers speak of dozens of small clients who refuse to trade on the fateful day, and then they have clients who always sell short on the 13th.

Wall Street is quite superstitious and some of the omens and portents among the peasantry of Europe are no more peculiar than those among us in the financial district.

CHILDREN'S MINDS.

(London Spectator).

This is a region into which the "grown-up" has no right of entry and no key to turn the lock. Only now and then a flash may disclose the inner recesses, and throw a sudden light on an entirely surprising line of thought. A child frequently cherishes a theory of its own, which appears quite reasonable, for the enchanted precincts within, where the supernatural obtains as ready an acceptance as the commonplace. A little thoughtful boy of my acquaintance was asked the usual question, what he was going to be. He answered with great decision: "Oh! a land-angel of course, like daddy." And I think "daddy" and the land agency profession scored a compliment. Time does not exist for children who worry over no human limitations. A little girl saying her hymn, "There is a green hill far away," was thrilled to hear that her mother knew the lady who wrote it. Then she repeated her psalm, and added gravely: "And did you know David, too?" The train of thought is rather charming which led a little boy, when told not to mention a guest's amputated foot, to say: "No, and when I get to Heaven I won't say anything to John the Baptist about his head." Surely politeness could go no further. Often an entirely different mental image is conjured up in the child's mind from that suggested by the grown-up storyteller. One mother, recounting at great length the details of the illness of a little dog to her small girl, several times mentioned "the dog doctor." She was surprised, at the very end, by the question: "What sort of dog was the dog doctor?"

AMONG THE COMPANIES

BACHE & CO. RETIRING.

In a letter to his clients, Mr. J. S. Bache of J. S. Bache & Co., brokers, New York, states that owing to war conditions the office in Montreal, which has been open for thirty years, has become unprofitable, and will be closed. Mr. Bache says that he regrets severing such long established relations. The private wire of the firm will be discontinued August 15, and the office will be kept open until the first of September for the convenience of clients in arranging their affairs.

CANADA STEAMSHIP LINES PAYS YEAR'S DIVIDENDS.

The directors of Canada Steamship Lines have carried into effect the financial programme outlined by the president some weeks ago, and have declared in advance dividends on the preferred for the current year in three instalments.

This means in effect that the management have in their treasury at the moment funds to pay the full year's preferred dividend, and that this will be distributed as follows: 2-1-3 per cent on August 1; 1-3-4 per cent on January 2, 1918. All arrears were cleaned up some time ago.

The 2-1-3 per cent payable on August 1, it was explained some time ago, is the regular 1-3-4 per cent with a fractional addition for a month some time back for which the shareholders had not received a dividend.

The fact that the preferred is disposed of for the full year will turn attention to the common stock on which a contribution has commenced to rank among the early probabilities.

Last month considerable activity developed in the common which rose from 36 to 45, and the advance was associated with gossip concerning the likelihood of a distribution on the common. Since the stock relapsed into a state of quietness after being the big feature for some time it has eased to 41, but extremely little stock has been offered and finds a ready market indicating the underlying strength.

SIX MONTHS EARNINGS OF C. P. R.

The June and six months' earnings of the C. P. R. are the largest in the company's history, although rising costs of operation continue to absorb a good part of the gain in gross revenues.

As the fiscal year of the company now terminates on December 31st, instead of June 30th, the six months returns now available give the results of the first half of the current fiscal year, instead of for the last as formerly. They show a gain of \$8,345,054, or 13.2 per cent in gross earnings as compared with the first six months of 1916. But operating costs increased \$6,949,339, or 16 per cent, so that the increase in net fell off at \$1,395,715 to a gain of 7.1 per cent.

Gross and net earnings of Canadian Pacific for the six months ending June 30th in each of the past eight years are tabulated below:

6 Months.	Gross.	Net.
1917	\$71,356,776	\$20,997,448
1916	63,011,721	19,601,733
1915	42,927,084	13,901,050
1914	54,528,660	15,114,491
1913	65,869,508	19,114,723
1912	60,753,175	18,827,994
1911	48,380,154	14,083,121
1910	45,063,976	13,770,080

June figures of the company were about \$800,000 less in gross and about \$600,000 less in net than those of May. But as compared with June, 1916, gross stood 13.9 per cent higher, and net 6.1 per cent higher. The lower ratio of the gain in net is explained by the increase of 17.5 per cent in operating costs.

In June, 1916, operating costs absorbed about \$68.90 out of every \$100 received from the public; in June of this year they absorbed about \$71.20. Back in June, 1912, it was only \$66.10.

June figures, gross and net, over a period of eight years offer the following comparisons:

June.	Gross.	Net.
1917	\$13,556,979	\$3,915,906
1916	11,892,609	3,689,633
1915	7,512,034	2,678,031
1914	10,054,421	3,335,625
1913	11,674,430	3,627,755
1912	11,311,397	3,846,601
1911	9,479,650	3,024,671
1910	8,807,817	2,717,916

DIRECTORS CHOSEN.

Nicholas F. Brady, president of the New York Edison Company; J. E. Aldred, senior member of the firm of Aldred & Company, and Arthur V. Davis, president of the Aluminum Company of America, have been elected directors of the Merchants' National Bank, New York, to fill vacancies.

Raymond E. Jones, agent of the Royal Bank of Canada in New York, and a director of the Merchants' Bank, will assume his duties as vice-president on August 1.

Ex-Senator Burton, of Ohio, will continue as president of the institution.

The Merchants' National Bank is the institution of which interests associated with the Royal Bank of Canada acquired control recently.

WESTINGHOUSE RECEIVES CASH FOR BIG ORDER.

Last week the Westinghouse Electric & Mfg. Company, New York, received \$9,000,000 in cash from the British Government on account of munitions and \$3,000,000 more, the balance of the \$12,000,000 due, will be received by next week.

These payments are those which were referred to by Chairman Tripp, in the annual report recently issued, when he said: "In addition to current collections the item of accounts receivable will be reduced by a cash payment of over \$11,000,000 from the British Government on account of munitions, which will be due on or before July 10 next.

As of March 31, the date covered by the annual report the Westinghouse Company had notes payable, bank loans, etc., of \$15,100,000, part of which the company has been paying off as collections have been made. Cash holdings of the Westinghouse March 31, totalled \$12,625,573, and cash and receivables were \$50,318,717 (in addition to inventories of \$31,934,594), compared with current liabilities of \$25,016,820.

NET TOTALS OF INT. MARINE, \$26,027,295.

The International Mercantile Marine Company sets forth in the first annual report since the receivership, more details of its exceptional prosperity in 1916, were presented to the shareholders at the annual meeting on June 4.

The statement shows that the vessels directly owned by the company and the ships operated by subsidiary concerns, mostly British, earned a gross income of \$87,449,725, after the English excess profits tax had been taken. As the parent company considers as its gross income only the earnings of its own ships and dividends paid in by the subsidiaries, the actual gross obtained by the Mercantile Marine treasury was \$70,116,114, compared with \$55,364,167 in 1915 and \$45,620,556 in 1914.

The net profit earned by the various companies was \$26,027,295 a total less by about \$270,000 than the preliminary statement estimated and of this \$25,946,650 was turned into the treasury against \$17,341,027 the year before, and \$3,307,028 in 1914. This profit was reported after fixed charges amounting to \$3,698,025 had been met and was equal to slightly more than \$50 a share on the outstanding preferred stock.

In respect to expansion plans the report said: "Since August, 1914, only a comparatively small amount of tonnage under construction has been delivered, owing to delays and difficulties brought about by the European war. The company and its subsidiaries now have under construction and ordered in Great Britain and the United States steamers of a gross tonnage amounting to 248,000.

"Although steamers have been lost through attack by enemy submarines and raiders," the report continues, "it is most satisfactory to be able to state that the entire fleet was operated throughout the year 1915, with the loss of only one steamer from ordinary marine perils. Grateful acknowledgement and appreciation is recorded for the protection afforded steamers by the British navy. The board also desires to express its deep appreciation of the very thorough manner in which the navy department of the United States supplied during the current year to each of the American flag steamers an efficient armed guard which enabled them to be operated with passengers, cargo and mails through the war zone."

DOMINION BANK REPORT.

In spite of the expected increase of well over \$4,000,000 in its investments in Dominion Government securities, the cash assets of the Dominion Bank, Toronto, on June 30th, were \$21,337,000, an increase for the year of \$5,114,000, and 25 1/2 per cent of liabilities to the public, as compared with cash assets of \$16,223,000, or 21 1/2 of liabilities to the public a year ago.

Quick assets of the bank, which include besides the securities of home Governments, British and foreign bonds, municipal debentures, stocks and call loans at home and abroad amounted to \$45,770,000, being 54 1/2 per cent of the liabilities to the public. This compares with \$37,204,000, which was 50 per cent of the liabilities on June 30, 1916. The increase in quick assets in the year was over \$13,000,000.

The statement shows that call loans in Canada were reduced almost \$2,000,000, and current loans, due largely to the recent rapid liquidation of grain credits, were on June 30, \$44,818,000, almost the same level as on that date in 1916. The total assets are up from \$88,000,000 to \$97,000,000. The statement also shows interesting changes in the volume of deposits, non-interest bearing deposits being up from nearly \$13,000,000 to over \$16,000,000, and interest-bearing deposits from \$54,109,000 to \$58,309,000. The total gain in deposits was \$7,280,000.

In spite of the fact that such a large percentage of the bank's assets are in the form of cash, earnings were well maintained in the six months. After the ordinary deductions, they were \$550,000, or at the rate of 18.64 per cent per annum, which compares with earnings of \$491,934 in the first six months of 1916, which was at the rate of 16.40 per cent. After deducting taxes of \$52,415 and a Patriotic Fund contribution of \$25,000, the earnings were \$481,866, or at the rate of 16.06 per cent.

The results for the first six months of the year compare with those of the same period in 1916 and 1915 as follows:

SIX MONTHS ENDING JUNE 30.			
	1915.	1916.	1917.
Balance from previous year ending	\$284,316	\$344,439	\$363,442
Six months profit	463,054	491,934	559,281
Deduct Government taxes	42,660	46,715	52,415
Total	\$704,710	\$789,658	\$870,308
Deduct dividend	\$360,000	\$360,000	\$360,000
Can. Pat. Fund	25,000	25,000	
Carried forward	\$344,710	\$404,658	\$485,308
The outstanding items of the mid-year balance sheet compare with the same items as contained in the annual statements for the year ending December 31, 1915, and 1916.			
	Year.	Year.	Year.
Liabilities—	1915.	1916.	1917.
Capital	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Reserve	7,000,000	7,000,000	7,000,000
From prev. year	344,439	363,442	485,308
Total liabilities to shareholders	13,525,489	13,544,382	13,666,815
Circulation	4,995,666	7,118,232	6,754,722
Depos., int. bearing	53,361,224	57,190,822	58,309,943
Depos., non-int. bearing	12,604,373	13,282,791	16,078,408
Total liabilities	\$87,475,126	\$92,866,692	\$97,061,844
Assets—			
Coin	\$ 1,626,964	\$ 1,915,648	\$ 1,965,199
Government notes	11,041,905	9,220,183	10,387,206
Gold res.		1,500,000	1,000,000
Can. Gov. securities	755,150	612,273	5,490,561
Municipal, British & Foreign securities	1,167,263	7,500,764	7,573,013
Other securities	4,647,001	4,184,382	3,643,087
Call loans at home and abroad	6,166,359	5,577,403	7,726,131
Cur. loans at home and abroad	47,466,260	49,030,364	44,872,441
Bank prem.	5,616,000	5,482,351	5,512,222
Total assets	\$87,475,126	\$92,866,692	\$97,061,844

BANK OF MONTREAL

Established 100 Years (1817-1917)

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

BOARD OF DIRECTORS:

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

R. B. Angus, Esq.	Lord Shaughnessy K.C.V.O.	C. R. Hosmer, Esq.
A. Baumgarten, Esq.	H. R. Drummond, Esq.	D. Forbes Angus, Esq.
Wm. McMaster, Esq.	Major Herbert Molson, M.C.	Harold Kennedy, Esq.
	H. W. Beauclerk, Esq.	G. B. Fraser, Esq.

Head Office, MONTREAL

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

BRANCHES AND AGENCIES

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

UNITED STATES BANK CLEARINGS.

With the approach of midsummer, a certain halting in business is to be expected, and there is now all the more reason for it because of the various uncertainties arising from war conditions. Yet, while hesitancy and waiting appear in not a few quarters, and there are signs of reaction in commodity prices, bank clearings are sustained in large volume and set new precedents for this period. The total at leading centres this week, as reported to Dun's Review, is \$4,947,211,401, or about 16 per cent less than last week, but 34.8 and 84.5 per cent, respectively, greater than in 1916 and 1915. At New York, the exchanges reach \$3,285,124,420 and disclose gains of 34.4 and 84.6 per cent over the two immediately preceding years, while the aggregate outside the metropolis, \$1,662,086,984, is 35.5 per cent larger than in 1916 and 84.3 per cent in excess of 1915. Without exception, expansion is shown at every city in comparison with both years, and especially notable increases are seen at Boston, Philadelphia, Pittsburgh, Cincinnati, Cleveland, Chicago, Kansas City and San Francisco. Average daily bank exchanges for the year to date are given below for three years:

	1917.	1916.	1915.
July	\$928,802,000	\$700,090,000	\$501,609,000
June	911,070,000	700,366,000	464,276,000
May	892,272,000	705,281,000	515,254,000
April	904,421,000	683,182,000	508,388,000
1st Quarter.	827,235,000	698,970,000	460,832,000

RAILWAY EARNINGS.

The gross earnings of Canada's three principal railroads continue to show substantial increases over the figures of the summer of 1916.

The Canadian Northern in the third week of the month, reported an increase of \$5,200. But good increases appear in the Canadian Pacific and Grand Trunk figures, the former being up \$309,000, or 11.7 per cent, from the corresponding period a year ago, and the latter \$217,793, or 19.1 per cent.

The aggregate gain of the three roads was \$531,993, or 11.4 per cent.

The figures for the third week of the month, with the increases over a year ago, follow:

	Earnings.	Increase.	P.C.
C.P.R.	\$2,950,000	\$309,000	11.7
G.T.R.	1,358,019	217,793	19.1
C.N.R.	872,100	5,200	.6
Total	\$5,180,119	\$531,993	11.4

DULUTH-SUPERIOR.

The comparative weekly statement of gross passenger earnings of the Duluth-Superior Traction Co., for the month of July, 1917, is as follows:

	1917.	1916.	Increase.	P.C.
1st week	\$33,349.09	\$30,175.68	\$3,173.41	10.5
2nd week	31,850.68	26,608.94	5,241.74	19.7
Month to date	65,199.77	56,784.62	8,415.15	14.8
Year to date.	822,883.51	703,725.93	119,157.58	16.9

FAILURES.

Commercial failures last week in Canada number 17, against 18 the previous week, 17 the preceding week, and 28 last year.

THE STOCK MARKET.

The volume of business for the week did not expand and was only equal to about a third of that of the corresponding week a year ago. Last Friday's rally carried some of the more active stocks to net gains for the week. Among these was Price Bros., which marked a higher at a new record price of 134, and Quebec Railway, which rallied 6 on the intimation from Ottawa that legislation will be brought down with respect to the Government's purchase of the Quebec & Saguenay line.

Comparisons of the turnover on the Montreal Board follow:

	Week ending—		
	July 28, 1917.	July 21, 1917.	July 29, 1916.
Shares	10,326	12,634	33,819
Bonds	\$67,750	\$83,100	\$260,400
Unlisted shares.	275	155	1,266
Do., bonds	\$233,100	204,500	.....

PROFITS OF ASBESTOS FOR SIX MONTHS.

The Asbestos Corporation of Canada reports net profits of \$224,560 for the six months ending June 30th last, an amount sufficient to take care of bond interest, which called for \$75,000, and the two quarterly dividends of 1 per cent on the preferred stock, which called for \$80,000, and to leave \$69,560 to be added to the balance at credit of profit and loss. This surplus balance stood at \$500,102 at the end of 1916.

Earnings as shown are given as "net profits from operations." As no mention is made of the company's usual provision out of earnings for renewals and betterments, presumably the appropriation under that head is deferred until the end of the year. Charging up only bond interest against the profits shown, the surplus for the half year was \$149,560, equivalent to earnings at the rate of 7.5 per cent per annum on the \$4,000,000 preferred stock.

"ONLY PATIENCE!"

An analysis of the steamers sunk since February Bremen, under the caption, "Only Patience!" places the net monthly loss through the submarine operations, after deducting new construction, at 700,000 to 750,000 gross tons. From this the newspaper comes to the conclusion theoretically that in forty-five months' time the last merchantman will be sunk. It adds for its readers' comfort, however, that England must give in much earlier, being already obliged to withdraw tonnage from the navy for mercantile purposes.

JUNE EARNINGS OF C. N. R.

The Canadian Northern Railway system reports gross earnings for the month of June of \$4,048,600, which compares with the earnings of \$3,784,700 in May. Net earnings were \$1,087,600, a gain over May of \$33,200, and an increase over June of last year of \$102,600.

For eleven months of this fiscal year the system shows gross earnings of \$41,244,700, an increase of \$7,819,700 over the same period in 1916. Net earnings in the eleven months of June 30 were \$10,404,400 and the increase in net for that period was \$1,866,600.

DEPTH OF BRITAIN'S WAR PURSE.

The main point of Bonar Law's speech on war financing is that despite the constantly increasing expenditure Great Britain can outlast her enemies financially.

The business view is that the contemplation of colossal costs and prolonged heavy taxes after the war tends to discourage enterprise, but on the other hand farsighted observers believe that these conditions will create a more intense determination for business expansion despite the difficulties.

Last week's national expenditure was £32,655,000, the total including other outgoings being £77,567,000, which includes £34,904,000 of treasury bills repaid and £10,000,000 of Bank of England advances repaid. The revenue fell £2,999,000 to £10,289,000, the total of all receipts being £75,097,000. The treasury balance is £22,378,000, a decrease of £2,470,000.

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$110,000,000

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

THE BANK OF NOVA SCOTIA

∴ THE ∴

Molsons Bank

Incorporated by Act of Parliament 1855.

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

Head Office - Montreal

COLLECTIONS

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

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

Edward C. Pratt, - General Manager

THE

Royal Bank of Canada

Incorporated 1869

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

HEAD OFFICE: MONTREAL
 SIR HERBERT S. HOLT, President
 E. L. PEASE, Vice-President and Managing Director
 C. E. NEILL, General Manager

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

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

SAVINGS DEPARTMENTS at all Branches

THE

Dominion Savings AND Investment Society

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

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

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

Home Bank of Canada



BRANCHES AND CONNECTIONS THROUGHOUT CANADA.

MONTREAL OFFICES: Transportation Building, St. James Street.
 Hochelaga Branch, Cor. Ontario and Davidson Streets, 1318 Wellington Street, Verdun.

Head Office TORONTO

Collections made to any point in Canada where there is a branch of a chartered Bank.

BANK CLEARINGS IN JUNE.

Both savings and non-interest deposits made new high records in June according to the statement of Canadian chartered banks for June. Savings rose very close to the half billion mark and notice deposits crossed the \$900,000,000 level for the first time in the history of the country.

The combined increases in both classes of deposits over May was \$13,798,720, of which \$5,849,823 was in savings and \$7,948,897 was in notice deposits.

The previous high record this year for savings deposits was in March with a total of \$448,151,528, but they fell off to \$471,312,285 in May, but rallied to \$449,639,670 in June.

As against the \$900,510,552 notice deposits shown in the June report the previous high was \$888,765,698 in March. There had been a steady increase monthly prior to that but there was a falling off to \$874,948,724 in April and then a rally to \$892,562,655 in May.

Another feature of the statement is the decreases in loans. Current loans in Canada are \$839,355,782, a decrease of around fifteen and a half millions compared with May. In call loans there is a further decrease of about two and a half millions in Canada and over nine millions in Wall Street.

There was a gain of nearly four millions in the central gold reserve, a gain of over five millions in current coin, but a decrease of over three and a half millions in Dominion Notes.

Total liabilities decreased by upwards of \$32,500,000 and assets decreased slightly over \$33,000,000.

A comparison of the returns for June and May follows:

	June, 1917.	May, 1917.
Reserve fund	\$113,494,533	\$113,493,033
Note circulation	165,267,701	142,653,596
Demand deposits	449,689,670	443,839,847
Notice deposits	900,510,552	892,562,657
Dep. outside Can.	177,974,187	206,682,376
Current coin	77,052,527	71,931,047
Dominion notes	122,617,160	120,238,905
Gold reserve	43,450,000	39,500,000
Call loans in Canada	76,085,320	78,514,798
Call loans outside	159,309,133	168,692,675
Current loans in Canada	839,355,782	844,890,589
Current loans outside	93,150,083	98,993,197
Total liabilities	1,790,434,357	1,822,959,711
Total assets	2,033,622,950	2,066,702,590

A comparison of the June returns with those of a year ago shows as follows:

	June, 1917.	June, 1916.
Reserve fund	\$113,494,533	\$113,022,933
Note circulation	165,267,701	123,373,395
Demand deposits	449,689,670	428,117,340
Notice deposits	900,510,552	767,598,130
Dep. elsewhere	177,974,187	176,922,950
Current coin	77,052,527	66,020,085
Dom. notes	122,617,160	142,638,872
Gold reserve	43,450,000	17,710,000
Call loans, Canada	76,085,220	86,776,474
Call loans elsewhere	159,309,133	182,757,015
Current loans Canada	839,355,782	747,470,541
Current loans elsewhere	93,150,083	60,081,584
Total liabilities	1,790,434,357	1,596,154,315
Total assets	2,033,622,950	1,836,347,821

OUR WAR SAVINGS.

Over nine million dollars has come to the Canadian Treasury through war savings certificates in the six months since the system was started. An average of a million and a half a month has thus been made available. The number of certificates is over 130,000.

CANADIAN BANK CLEARINGS.

The feature of the Canadian bank clearings for the week ending July 26th is Vancouver with an increase of approximately 40 per cent over the corresponding week last year in Vancouver's clearings. Substantial increases are shown at most points:

	Week ending		Corresponding week
	July 26, 1917.	1916.	Increase.
Montreal	\$75,858,819	\$69,009,942	\$6,848,877
Toronto	57,557,827	49,987,081	7,620,746
Winnipeg	40,055,455	40,891,782	836,327†
Vancouver	8,399,424	5,928,418	2,471,006
Calgary	5,347,065	4,323,717	1,023,348
Ottawa	5,165,137	4,512,803	652,334
Quebec	4,537,155	3,237,873	1,299,282
Hamilton	4,422,695	3,195,653	1,226,942
Halifax	2,936,189	2,294,482	641,707
Edmonton	2,405,682	2,020,848	384,834
Regina	2,602,943	2,052,436	550,507
St. John	1,786,552	1,845,158	58,606†
London	1,908,513	1,644,826	263,687
Victoria	1,549,267	1,553,520	4,253†
Saskatoon	1,496,907	1,081,605	415,302
Moose Jaw	954,575	868,700	85,875
Brantford	881,982	654,156	227,828
Fort William	712,575	600,242	112,333
Peterboro	603,718	484,990	118,728
Brandon	583,629	714,514	130,885†
Sherbrooke	572,615	476,164	96,451
Kitchener	521,554	.....	.....
Medicine Hat	463,317	257,124	206,193
Totals	\$221,323,677	\$198,107,588	\$23,216,089

(†)—Decrease.

BANK OF ENGLAND STATEMENT.

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

	Increase.
Total reserve	£ 283,000†
Circulation	219,000
Bullion	63,905†
Other securities	1,299,000†
Other deposits	2,128,000
Public deposits	1,140,000†
Notes reserve	252,000†
Government securities	2,640,000

(†)—Decrease.

The proportion of the Bank's reserve to liability this week is 18.36 per cent.; last week it was 18.62 per cent. Rate of discount, 5 per cent.

STATEMENT OF THE BANK OF FRANCE

The weekly statement of the Bank of France shows the following changes: Gold in hand increased 3,521,000 francs, silver in hand decreased 267,000 francs, notes in circulation decreased 2,962,000 francs, treasury deposits decreased 82,503,000 francs, general deposits increased 51,427,000 francs, bills discounted decreased 13,309,000 francs, advances decreased 1,817,000 francs.

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

	1917.	1916.	1915.
Gold	5,299,729	4,785,448	4,129,338
Silver	262,417	344,208	367,971
Circulation	20,192,741	16,096,857	12,592,000
General deposits	2,508,275	2,587,803	2,379,825
Bills discounted	2,636,074	2,266,969	2,426,649
Treasury deposit	44,663	112,721	221,024
Advances	1,129,439	1,204,020	610,428

LLOYDS BANK LIMITED.

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

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

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND & WALES.
 Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. London Agency of the IMPERIAL BANK OF CANADA.
 The Agency of Foreign and Colonial Banks is undertaken.
 French Auxiliary: LLOYDS BANK (FRANCE) LIMITED,
 with Offices at PARIS, BIARRITZ, BORDEAUX, HAVRE and NICE.

SEES CANADA AS SECONDARY BASE.

M. J. Haney Prophesies New National Status in Reconstructed Empire.

Mr. M. J. Haney, C.E., president of the Home Bank of Canada, who is at present on a trip to the Pacific coast, gave an interview to The Calgary News-Telegram on July 11, which was singularly prophetic of the message from Lord Rhondda, the British Food Controller, to the Resources Committee.

Interviewed in Calgary, Mr. Haney, maintained that the splendid position which the British Empire now occupies as a dominant factor in the world can, only be sustained by the creation of a subsidiary empire more fortunately placed geographically than the British Isles, and, therefore, secure from the new perils which have developed in this present war.

"The time is coming," Mr. Haney stated, "and is not far distant when the British Empire will require an alternative base, a secondary seat of resources and wealth and power. That base will be Canada. The submarines have proved already, and will prove with greater emphasis as they develop after this war is over, that the very security of the empire will be threatened if there is no such secondary base on the western hemisphere."

NEED OF IMMIGRATION.

In order to secure Canada's undivided co-operation with the aims of the British Empire, Mr. Haney pointed out the necessity for an increased volume of immigration of English, Scotch, Irish and Welsh, and peoples who are grounded in the traditions and systems of the British Empire. He has no fear that mixed immigration might detach Canada from the British Empire, but he argued that the larger the proportion of Anglo-Saxon sympathizers there are among the peoples of Canada the more secure our present attachment will remain. He looks towards the encouragement of desirable immigration, and the development of our natural resources, as the essential program of a preparation for peace.

He declared for restricted protection after the war in order to develop the natural resources of Canada. He would not bestow the national resources on any one, "not even on our dearest national friend." Our natural products should be manufactured into commodities in Canada, and we should have in mind the necessity of beginning at once to build up a Canadian merchant marine for the effective distribution of our manufactured products.

U. S. WAR COSTS.

America's war costs will approach \$20,000,000,000 the first year, according to Senator Smoot, member of the Finance Committee.

Up to the present, approximately \$10,000,000,000 has been appropriated. Now Secretary McAdoo appears before the Finance Committee to outline another budget amounting to \$5,000,000,000 for the War Department.

"This would bring the total appropriations by this Congress up to \$14,922,000,000," Mr. Smoot said, "a sum almost as great as the total bond issue of Great Britain during three years of the war."

In addition to this, Mr. Smoot said, Congress would soon be called upon to authorize \$5,000,000,000 more for the Allies, bringing the total up to approximately \$20,000,000,000 the first year.

SUMMARY OF PROPOSED INCOME TAX.

The Income Tax Resolution Introduced in the House of Commons on Wednesday by the Finance Minister:

"Resolved: That it is expedient: (1) To levy an income tax of four per centum upon incomes exceeding two thousand dollars per annum in the case of unmarried men and widowers without children, and exceeding three thousand dollars in the case of other persons, and, in addition thereto, a super-tax of two per centum upon the amount by which the income exceeds six thousand dollars and does not exceed ten thousand dollars, and five per centum upon the amount by which the income exceeds ten thousand dollars and does not exceed twenty thousand dollars, and eight per centum upon the amount by which the income exceeds twenty thousand dollars and does not exceed thirty thousand dollars, and ten per centum upon the amount by which the income exceeds thirty thousand dollars and does not exceed fifty thousand dollars, and fifteen per centum upon the amount by which the income exceeds fifty thousand dollars and does not exceed one hundred thousand dollars, and twenty-five per centum on the amount by which the income exceeds one hundred thousand dollars.

"(2) To levy an income tax of four per centum upon incomes exceeding three thousand dollars in the case of corporations and joint stock companies."

SUMMARY OF PROPOSALS.

Four per cent upon incomes exceeding \$2,000 per annum in the case of unmarried men and widowers without children and exceeding \$3,000 in the case of other persons.

In addition the following super-tax is to be imposed:

Where income exceeds \$6,000 and does not exceed \$10,000, two per cent.

Where income exceeds \$10,000, and does not exceed \$20,000 five per cent.

Where income exceeds \$20,000 and does not exceed \$30,000, eight per cent.

Where income exceeds \$30,000 and does not exceed \$50,000, ten per cent.

Where income exceeds \$50,000 and does not exceed \$100,000, fifteen per cent.

Where income exceeds \$100,000, twenty-five per cent.

A tax of 4 per cent on incomes exceeding \$3,000 in the case of corporations or stock companies.

HOW THE INCOME TAX WILL WORK.

Income of—	A	B
\$ 4,000	\$ 80	\$ 40
5,000	120	80
7,000	220	180
10,000	400	360
12,000	580	540
15,000	850	810
20,000	1,300	1,260
30,000	2,500	2,460
50,000	5,300	5,260
75,000	10,050	10,010
100,000	14,800	14,760
150,000	29,300	29,260
200,000	43,800	43,760

(A)—Unmarried men and widowers without dependent children exempt \$2,000.

(B)—All other Persons exempt \$3,000.

EXCEPTIONS TO TAX.

Taxpayers shall be entitled to the following deductions from the amounts that would otherwise be payable by them for income tax:

(A) Amounts paid by any taxpayer for taxes accruing during the year one thousand nine hundred and seventeen and in any year thereafter under the provisions of part 1 of the spiral war revenue act 1915, and (B) Amounts paid by any taxpayer under the business profits war tax act 1916, and any amendments thereto, for any accounting period ending in the year one thousand nine hundred and seventeen.

In the case of a partnership each partner shall be entitled to deduct such portion of the tax paid by the partnership under the business profits tax act, 1916, as may correspond to his interest in the income of the partnership.

The earnings of the International Nickel Co. for the first quarter of the current fiscal year, ending June 30, totalled \$2,940,127, equal to 7.02% on the preferred stock after the payment of dividends, and \$1.75 a share on the common, which is equal to an annual rate of \$7 share on the latter compared with \$7.78 earned for 1916 on the same issue. The smaller rate is accounted for by the increased taxes paid to the United States and Canadian governments in taxes.

THE DOMINION BANK

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

C. A. BOGERT, General Manager

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

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

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

BANK OF BRITISH NORTH AMERICA

PAID-UP CAPITAL - - - - \$4,866,666.66
RESERVE FUND - - - - \$3,017,333.33

Head Office: 5 Gracechurch St., London, Eng.
Head Office in Canada: St. James St., Montreal.
H. B. MACKENZIE, General Manager.

Advisory Committee in Montreal:
SIR HERBERT B. AMES, M.P.
W. R. MILLER, Esq. W. R. MACINNES, Esq.

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

Agents for the Colonial Bank, West Indies.

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

SAVINGS DEPARTMENT AT ALL BRANCHES

G. B. GERRARD, Manager, Montreal Branch.

ESTABLISHED 1872

BANK OF HAMILTON

Head Office: HAMILTON

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

Business Founded 1795

AMERICAN BANK NOTE COMPANY

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

BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES

and other MONETARY DOCUMENTS.
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Branches:—
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TORONTO, 19 Melinda Street.
WINNIPEG, Union Bank Building.

The Canadian Bank of Commerce

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

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

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

BANKING SERVICE

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

NEW RECORDS

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

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

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COMPANY OF CANADA
HEAD OFFICE—MONTREAL

AN IDEAL INCOME

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

Union Mutual Life Insurance Company,
Portland, Maine

on its

MONTHLY INCOME PLAN

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

For full information regarding the most liberal
Monthly Income Policy on the market write, stating
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Commercial Union Assurance Company, Limited. OF LONDON, ENGLAND.

The largest general insurance company in the world.

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

(As at 31st December, 1916).

Head Office, Canadian Branch:

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

Applications for Agencies solicited in unrepresented
districts.

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

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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
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hard work in the world."

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work, we place him in a position
and help him to make good.

The first two lessons of the Com-
pany'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.

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CANADA LIFE
ASSURANCE COMPANY
Head Office, Toronto.



TO LESSEN FIRE LOSS.

Testifying before Mr. Justice Masten, sitting as a Commissioner in connection with the fire insurance inquiry, which was resumed last week at the Parliament Buildings, Toronto, Mr. George Shaw, of the firm of Reed, Shaw & McNaught, advocated the increase of the fee for agents from \$3 to \$50, or \$100. Mr. Shaw claimed that excessive commissions, undesirable agents and rebates were responsible to a very large extent for the existing high fire insurance rates. Under the present law a man upon the payment of \$3 to the Government could become an insurance agent in Ontario.

FREE LANCE AGENTS.

The result was there were many men acting as agents and drawing commissions who were not directly connected with the insurance business. He believed a heavier fee would be the means of confining activity along such lines to legitimate agents. Free-lance agents in Toronto alone ranged anywhere from 1,000 to 3,000.

"It has been suggested that registration of uniform rates might have the effect of doing away with the competition of non-tariff companies," said Mr. Justice Masten.

"These companies have not any idea of cutting rates," replied Mr. Shaw.

"Your idea is that non-tariff companies do not cut rates to the extent which is generally believed?"

PROFITABLE END OF BUSINESS.

"In many cases they do," replied Mr. Shaw. "They only embody a certain narrow class of business—small store business and the like. It is the profitable end of the business, if they get a sufficient volume of it. Sometimes the less hazardous class of business had to bear the rates of the more hazardous. I think the ideal thing to do would be for each class to bear the rate commensurate with its own hazard. Because it was easy to collect from the small property holder the insurance agent took it."

Asked if all the scheduled rates had to be filed by the companies would it have a tendency to lessen the competition of non-tariff, unlicensed and tariff companies, Mr. Shaw thought there would be no difference, as the unlicensed companies for the most part know what is the tariff companies' schedule.

Regarding the proposal that an insurance tribunal be appointed to give people an ample opportunity to air their grievances, Mr. Shaw added: "It would appease a few sore heads."

THE REBATING EVIL.

Referring to the rebating evil, Mr. Shaw stated that some agents, in order to secure business, were willing to give ten or twelve or transfer the risk. This evil had a tendency to increase the cost of insurance.

"Would it be possible to bring the matter under the criminal law instead of the insurance law?" suggested the Commissioner.

Mr. Leighton McCarthy, K.C., replied that, in his opinion, the rebate practice was practically criminal.

C.M.A. WANTS COMPETITION.

Mr. F. W. Wegenast, representing the Canadian Manufacturers' Association, expressed the view that the pocketing of premiums by agents had a tendency to increase the cost of insurance, and the only chance the manufacturer had was to place his insurance with non-tariff companies. It was possible to remove the evils by regulation.

Secretary Murray of the Canadian Manufacturers' Association read a statement, approved of at the last meeting, protesting against imposing a tax on unlicensed or mutual companies, as these were necessary for competition.

"MUCHYEROSSES!"

A recent observer of the British methods of training horses for use in the army noticed that at the close of each day's drill there came, following the order to dismount, another order that is without parallel in any other army. It was apparently a single mysterious word: "Muchyerosses!" The fact that each rider proceeded to stroke, pat or pet his charger, perfunctorily or affectionately, as the case might be, rendered the interpretation clear. The command meant, "Make much of your horses." The English are a nation of horse lovers, and in the English army horses are as well cared for, both from true humane feeling and motives of economy, as the cruel wastage of war will permit. They are over-worked only when they must be, are well fed and often "muched"; and there are horse hospitals for the wounded. But many poor, faithful creatures are sacrificed. — Youth's Companion.

News of the Week

TUESDAY, JULY 24.

Russian despatches admit that fighting area is rapidly extending and Russians retreating.

A battalion of Central Ontario men have penetrated the German line to a depth of 500 yards along a front of 700 yards southwest of Avion.

There has been further fighting on the Aisne front, the Germans making desperate efforts to win back the famous Chemin-des-Dames, so far without success.

The Italian troops check an Austrian advance. Germans try in vain to make a stand in East Africa.

WEDNESDAY, JULY 25.

Germans making successful progress on long Russian front. All the gains recently made by the Russians are being thrown away by the defection of certain regiments and corps.

French troops have regained all the ground taken by the Germans on Sunday on the Aisne front.

The conscription bill passed its third reading by a vote of 102 (22 Liberals, 80 Conservatives) to 44 (40 Liberals, 4 Conservatives), there being no changes from the division on the second reading.

THURSDAY, JULY 26.

Roumanian and Russian troops have won a victory of some importance in the South Carpathians.

British troops have defeated the main body of the enemy in German East Africa.

In Portuguese East Africa the enemy has suffered another defeat and is being pursued.

French troops repulse another German attempt to retake positions on the California Plateau on Aisne front.

Seventy miners perished in an explosion at one of the Dominion Coal Company's mines at New Waterford, C.B., N.S.

The Finance Minister's resolution as a basis for a bill imposing a graduated income tax was passed in the Commons after a brief discussion following his presentation.

FRIDAY, JULY 27.

Russians are putting up stubborn fights but Germans claim considerable advances.

Germans score success on French front taking first line trenches on a two mile front in the Aisne area.

Two German vessels have been sunk, another one torpedoed and two taken to England.

Allied military chiefs held a conference in the French capital.

SATURDAY, JULY 28.

Ocean-going vessels of British registry before the war aggregated between seventeen and eighteen million tons. At present, including prizes and the new ships, it is slightly over fifteen million tons. This is the statement made by Lord Robert Cecil, Minister of Blockade.

The Allied conference in a statement declares: "The Allied powers more closely united than ever for the defence of the people's rights, particularly in the Balkan Peninsula, are resolved not to lay down arms until they have attained the end which in their eyes dominates all others—to render impossible a recurrence of the criminal aggression such as that whereof the Central Empires bear the responsibility."

Russians and Roumanians have continued their advance capturing a number of villages, prisoners and guns.

British drive Germans from a small village near Warneton.

Big fighting has broken out again in China. At the Paris conference the Allies decided to withdraw their troops from Greece as soon as possible.

The report of the McLeod-Tellier Commission, reviewing the report of Mr. Justice Galt, completely exonerates Hon. Robert Rogers from the charges made against him by Judge Galt.

MONDAY, JULY 30.

Russian army in Galicia has retired 100 miles from point reached in late drive.

French troops frustrate offensive began by Crown Prince's army in the Aisne district and gain ground in counter attacks.

Germans bomb Red Cross in Paris from air.

German steamer caught in North Sea by British sub.

Japanese torpedo boat destroyer smashed hostile submarine in Mediterranean.

Bad fire sweeps over lumber camp in Fernie, B.C.

UNION ASSURANCE SOCIETY

LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1714

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

North-West Branch, Winnipeg:
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YOU LOOK FOR SECURITY

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

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

Business in Force over - - - \$59,600,000
Assets over - - - - - 16,400,500
Net Surplus over - - - - - 2,600,000
These are reasons why the Company is known as "SOLID AS THE CONTINENT"

NORTH AMERICAN LIFE ASSURANCE COMPANY

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THE LAW UNION AND ROCK INSURANCE CO. LIMITED

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

Canadian Head Office:

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Agents wanted in unrepresented towns in Canada
J. E. E. DICKSON, Canadian Manager.
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The London & Lancashire Life and General Assurance Association, Limited

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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

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QUEBEC PROVINCE BRANCH:
61 ST. PETER STREET, MONTREAL

ROBERT BICKERDIKE, Manager

The Independent Order of Foresters

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

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

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

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

BRITISH INSURANCE COMPANY RESULTS IN 1916.

In its annual review of the results achieved in fire insurance by the leading British companies during 1916, the London "Times" says: "An examination of accounts relating to a year of war is vested with special interest. The companies have so far stood the strain of the war extraordinarily well, and the peculiar conditions were referred to by the chairmen at several of the recent meetings. The premium incomes of 21 leading offices are easily "record" figures. They show an increase of no less than £1,796,000 on those for 1915, which had itself been a record year. To a considerable extent the increases were due to the higher level of the prices of all commodities.

"A revision of insurance has probably been fairly common in respect of industrial risks. In view of great activity and prosperity, manufacturers could well afford to increase the amount of their insurances. In times of industrial depression manufacturers are naturally enough inclined to scrutinize carefully every item of expense, but in such a year as 1916 the cost of insurance represented a comparatively unimportant percentage of working costs. Further, there was the effect of the excess-profits taxation, causing manufacturers also to be rather less concerned with the level of their expenses. At home fire losses, as our monthly estimates showed, were considerably heavier. In the early months of the war there was a tendency to attribute an increased loss ratio to enemy influence, but the general impression of fire managers seems to be that this danger is now much less in this country, and that the increased cost of fires at home may be attributed mainly to the high pressure of work and, in some instances, to the lower standard of labor.

"One satisfactory influence in maintaining the premium incomes has been the larger amounts retained by the British offices in consequence of the cutting off of the German and Austrian reinsurance markets. Since the agents of the German companies were no longer at the elbows of the British managers, with their apparently attractive offers, the latter have gradually become accustomed to retaining larger sums, which so far they have found they have been able to do quite well, and they have also been re-insuring to a greater extent with each other. An opening has undoubtedly been made for the development of other reinsurances offices, particularly of British and Allied nationality. There are few British offices specializing in reinsurance, but such well-found companies as exist seem to deserve all the support which the great British companies can give them. They need encouragement, and the best assistance which the British giants can give them is a share of good business, for they could not be expected to flourish if fed only with second or third-rate risks. It must not be forgotten that the Germans organized reinsurance business thoroughly, and that by the system adopted by the leading German companies of allowing large commissions and redistributing the risks among comparatively small companies throughout Germany, they were able to offer the British offices terms which ensured a profit to the latter. Cheap working costs and satisfaction with an extremely moderate ratio of profit were probably the principal reasons of their ability to absorb so much reinsurance business from both British and American offices.

MILITARY HOSPITALS' REPORTS.

The Military Hospitals Commission on July 15, had under its cares 8,386 men, as against 7,478 a week earlier. The increase was foreshadowed when last week's figures, showing a decrease of 140, were issued.

Of the latest total 6,850 are convalescents, 1,027 are undergoing treatment for tuberculosis at sanatoria, and 509 are in other institutions, chiefly general hospitals.

The increase in Canada is nearly matched by a decrease in the Old Country. The return for June 29 shows 19,262 Canadians in hospital there, as against 20,010 on the 22nd. The latest total, which includes 688 officers, is made up thus:

In Canadian primary hospitals	3,395
In Canadian special hospitals	1,981
In Canadian convalescent hospitals	4,860
In Canadian special hospitals	1,981
In British (that is non-Canadian hospitals)	8,950

The total for the Canadian institutions was practically unchanged, while the number of Canadian soldiers in the British hospitals showed a reduction of 760.

"A Little Nonsense Now and Then"

Editha was admiring her new summer frock. "Isn't it wonderful," she said, "that all this silk comes from an insignificant worm!" "Editha, is it necessary to refer to your father in that way?" her mother inquired reproachfully.—N.Y. Times.

Judge Ben B. Lindsey, of Denver, was lunching one day—it was a very hot day—when a politician paused beside his table. "Judge," said he, "I see you're drinking coffee. That's a heating drink. In this weather you want to drink iced drinks, judge—sharp iced drinks. Did you ever try gin and ginger ale?"

"No," said the judge, smiling, "but I have tried several fellows who have."—Everybody's.

Not every maid combines the aptitude for blundering and the talent for ingenious explanation that characterize the young woman about whom the United Presbyterian tells this diverting story:

"What do you suppose has come over my husband this morning, Sophia?" exclaimed a conscientious little bride to the new servant. "I never saw him start down-town so happy. He's whistling like a bird!"

"I'm afraid I'm to blame, mum. I got the packages mixed this morning, and gave him birdseed instead of his regular breakfast food, mum."

President Wilson and Arthur James Balfour are said to have found a new bond of sympathy between them when Mr. Balfour visited Washington. Both are fond of detective stories as a relaxation. Balfour's taste runs to "penny shockers." When in his leisure he is not devouring the deeds of "Old Sleuth" or "Nick Carter," the English Foreign Minister turns to works of philosophy. "On the trip across, the number of 'penny shockers' was limited," said one of the party. "We had to pass them around. I was telling Mr. Balfour of one he hadn't read. 'Who wrote it?' he asked. 'I really didn't notice.' 'That's always the way,' he said, sadly. 'One never does. So ungrateful; so ungrateful!'"—San Francisco Argonaut.

Probably this joke has been pulled a million times, but we never heard it before. That's because we are so seldom around where people are talking of finance and big business affairs. Maybe the jest is a bromide of the banks and bond broking business—how are we to know. Maybe had we not been invited by a plutocrat to jump in and let him take us homeward, we would never have heard it.

Friend Plutt had a friend with him, and they were talking about an investment—as nearly as we could understand.

"Don't you think that stock was a good buy?" asked the one.

"Yes," sneered the other, "a good-bye to your money!" — Cleveland Plain Dealer.

"Men certainly do hang together," according to Brown.

"For instance, I have a friend who lives in a suburb where many wealthy folks live. Recently he had a motor accident at a lonely spot on the road, where he found it impossible to reach a telephone to notify his wife.

"Now, it happened that he was happily married, very domesticated, and not accustomed to staying out at night. So at mid-night his wife became very nervous. She dispatched the following telegram to five of her husband's best friends in the city: 'Jack hasn't come home. Am worried. Is he spending the night with you?'"

"Soon after this her husband arrived home and explained the cause of his delay. While he was talking a boy brought in five answers to her telegrams, all worded practically as follows: 'Yes, Jack is spending the night with me.'"—Tit-Bits.

An obedient horse and a loquacious parrot should not be left together on a dock, for an accident might happen. A driver of a San Francisco transfer wagon drove down to a pier and stopped near a parrot in a cage. The driver left his horse and vehicle a few minutes, "Back," said Polly and the obedient horse backed toward the edge of the wharf. Again the bird called out, "Back," and there was a splash and a crash as wagon and horse went into the bay. When several men succeeded in landing the horse and wagon Polly remarked, "Can you beat it?"

The Standard Bank of Canada.

Quarterly Dividend Notice No. 107.

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 July 31st, 1917, and that the same will be payable at the Head Office in this City and its Branches on and after Wednesday, the 1st day of August, 1917, to shareholders of record of the 21st of July, 1917.

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

Toronto, June 25th, 1917.

Bank of Montreal

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

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 20th July, 1917.

Illinois Traction Company

Notice of Dividend No. 18

A Quarterly Dividend at the rate of Three per cent (3%) per annum on the Common Stock of the Illinois Traction Company has been declared for the Quarter ending July 30th, 1917, payable August 15th, 1917 to Shareholders of record July 30th, 1917.

By Order of the Board,
GEORGE M. MATTIS, Treasurer.
Champaign, Ill.

HOWARD S. ROSS, K.C. EUGENE R. ANGERS

ROSS & ANGERS
BARRISTERS and SOLICITORS

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THE MUTUAL LIFE ASSURANCE

Company of Canada

WATERLOO

ONTARIO

ASSURANCES	-----	\$109,645,581
ASSETS	-----	\$29,261,963
SURPLUS	-----	\$4,595,151

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GUIDE TO INVESTORS

CANADIAN STOCKS

Quotations of Listed Securities on the Montreal Stock Exchange, with Prices Closing on July 28, 1917

COMPANY	Shares par Value.	CAPITAL issued.	DIVIDEND PER CENT.		1914.		1915.		1916.		1917.	
			Present.	When payable.	High.	Low.	High.	Low.	High.	Low.	High.	Low.
Ames-Holden	100	\$3,500,000	16	.....	70 1/2	66	73 1/2	55	80	52	23 1/2	16
Ames-Holden, pfd.	100	2,500,000	.....	Last div. July, 1914	.....	.....	.....	.....	.....	.....	.....	19 1/2
Asbestos Cor. of Can.	100	3,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	20
Asbestos Cor. of Can., pfd.	100	4,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	14
Bell Telephone	100	18,000,000	2	J. A. J. O.	150	140	159	140	152	148	150	137
B. C. Fishing	100	4,187,400	2	M. N.	82	54	59 1/2	54	62 1/2	43	47 1/2	43
Brazilian Tracton	100	106,600,000	1 x 1/4	Div. Passed Apr. '17	.....	.....	.....	.....	.....	.....	.....	48
Brompton Pulp	100	7,500,000	.....	Feb. 7, May 7, 17	.....	.....	.....	.....	.....	.....	.....	58
Canada Cement	100	1,850,000	2 1/2	J. A. J. O.	219 1/2	171 1/2	193 1/2	142	182 1/2	165	165	156
Canada Cement, pfd.	100	260,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	25 1/2
Can. Pacific Ry.	100	4,225,000	.....	Last div. June, 1914	.....	.....	.....	.....	.....	.....	.....	46 1/2
Can. Car & Pdy.	100	7,500,000	.....	Last div. July, 1914	.....	.....	.....	.....	.....	.....	.....	59
Do., pfd.	100	13,500,000	1 1/2	Feb. & quarterly	.....	.....	.....	.....	.....	.....	.....	59
Canada Cement, pfd.	100	10,500,000	1 1/2	M. A. N.	88	88	90 1/2	.....	72 1/2	37 1/2	.....	69
Can. Converters	100	1,733,500	1 p.c.	M. A. N. F.	40	34	34	.....	46	30	41 1/2	40
Can. Con. Rubber	100	2,805,500	.....	Last div. Oct. 1914	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	3,000,000	1 1/2	J. A. J. O.	91	81	91	.....	100	91	.....	.....
Can. Cottons	100	2,715,500	1	J. O. 1913, J. 1917	97	97	101	100	97	87	86	61
Can. Fairbanks, pfd.	100	1,500,000	1 1/2	J. A. J. O.	88	70 1/2	77	71	82 1/2	75	80	78
Can. Fds. & Forgings	100	3,661,500	3	Qtdy. May	92	92	.....	.....	243	65	227	176
Do., pfd.	100	980,000	1 1/2	F. M. A. N.	.....	.....	.....	.....	.....	.....	.....	150
Can. Gen. Electric	100	8,000,000	2	J. A. J. O.	110	81	132	91	125 1/2	108 1/2	85	84
Can. Locomotive	100	2,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	102 1/2
Do., pfd.	100	1,500,000	1 1/2	J. A. J. O.	63	53	64 1/2	36	67 1/2	51	60	52 1/2
Canada Steamships	100	5,745,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Do., Voting Trust	100	6,255,000	1 1/2	May, qtdy.	75 1/2	59 1/2	76	59	96 1/2	70	83 1/2	76
Do., pfd.	100	12,500,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Carriage Factories	100	1,200,000	3 1/2	July, Oct. 1916	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	1,200,000	1 1/2	15th Feb., M. A. N.	.....	.....	.....	.....	.....	.....	.....	.....
Civic Power	100	63,696,100	2 1/2	J. A. J. O.	1.95	1.00	1.00	.32	45 1/2	28 1/2	38 1/2	25
Con. M. & Smel. 1916	25	1,999,957	5	Jan., 1917	.....	.....	.....	.....	.....	.....	.....	82
Crown Reserve	100	2,752,200	.....	Last div. Apr., 1914	.....	.....	.....	.....	.....	.....	.....	.....
Dom. Cannery	100	2,280,500	.....	Last div. Apr., 1915	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	12,500,000	2	M. J. S. D.	92	85 1/2	34 1/2	31	20	11	23	.....
Detroit United Railway	100	6,500,000	2 1/2	F. M. A. N.	73 1/2	62	62	128 1/2	69 1/2	128	106	106
Dominion Bridge	100	3,000,000	3 1/2	Feb., Aug.	106	97 1/2	237	107	231 1/2	160	170	125
Dom. Coal, pfd.	100	5,000,000	3 1/2	April, Oct.	68	58 1/2	98	73	105	92	95	88
Dom. Iron and Steel, pfd.	100	37,097,700	.....	.....	.....	.....	.....	.....	.....	.....	.....	89
Dom. Steel Corporation	100	4,400,000	.....	Last div. Jy., 1915	125	120	52 1/2	20	82	42	71 1/2	62 1/2
Dominion Park	100	5,000,000	1 1/2	J. A. J. O.	86 1/2	64	77	64	90 1/2	74	89	76 1/2
Dominion Textile	100	1,925,975	1 1/2	J. A. J. O.	105	100	107	.....	105	100 1/2	105	99 1/2
Dom. Textile, pfd.	100	3,500,000	.....	Last div. July, 1915	.....	.....	.....	.....	.....	.....	.....	.....
Duluth Superior	100	1,750,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Goodwins	100	1,250,000	.....	Last div. July, 1914	.....	.....	.....	.....	.....	.....	.....	.....
Goodwins, pfd.	100	1,400,000	2	J. A. J. O.	169	160	.....	.....	185	160	.....	.....
Hallifax Electric	5	3,000,000	4	.....	19.25	15.25	29.00	22.50	30.25	25.25	.....	.....
Hollinger	100	833,500	.....	.....	.....	.....	.....	.....	.....	.....	.....	74 1/2
Howard Smith	100	475,000	1 1/2	J. A. J. O.	.....	.....	.....	.....	.....	.....	.....	75
Do., pfd.	100	12,252,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	84
Illinois Traction	100	7,135,500	1 1/2	F. M. A. N.	65 1/2	60	.....	.....	44 1/2	44	87	84
Do., pfd.	100	2,100,000	2	J. A. J. O.	95	91	91	.....	91	87 1/2	88	83
Lake Woods Mill	100	1,500,000	2 1/2	M. J. S. D.	135	127	137	129	136 1/2	126	130	125
Do., pfd.	100	41,380,400	1 1/2	M. J. S. D.	120	115	120	.....	128	116	105	170
Laurentide	100	9,600,000	2 1/2	J. A. J. O.	193 1/2	160	198	160	217 1/2	176	165	170
Lyall Construction	100	1,750,000	1 1/2	J. A. J. O.	86 1/2	75 1/2	84	76 1/2	89	79	88	82 1/2
Mackay Co.	100	50,000,000	1	J. A. J. O.	70	65	70	65	68 1/2	65 1/2	65 1/2	96
Do., pfd.	100	2,500,000	2	J. A. J. O.	.....	.....	.....	.....	122	96 1/2	144 1/2	96
Maple Leaf Milling	100	2,500,000	1 1/2	J. A. J. O.	55	50	55	.....	55	50	58 1/2	49
Do., pfd.	100	3,000,000	1 1/2	M. J. S. D.	103	97 1/2	99 1/2	51	63	50	58 1/2	100
Montreal Cottons	100	3,000,000	2 1/2	F. M. A. N.	175	175	175	175	175	165	162 1/2	165
Do., pfd.	100	600,000	2 1/2	M. J. S. D.	140	134	140	136	136	135	.....	.....
Mont. Loan and Mfg.	40	2,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Montreal Telegraph	100	4,000,000	2 1/2	J. A. J. O.	230	192	220	.....	200	180	180	.....
Montreal Tramway	100	16,000,000	2 1/2	April, October	83	75	81 1/2	.....	81 1/2	75	77	72
Do., Tram cts.	100	2,254,300	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
National Breweries	100	2,775,000	3 1/2	half-yearly	95	95	.....	.....	75	.....	.....	.....
Do., pfd.	100	7,500,000	.....	Last div. July, 1914	.....	.....	.....	.....	.....	.....	.....	.....
N. S. Steel & Coal	100	1,030,000	2 plus 5	J. A. J. O.	120	119	125	110	115	110	112	105
Do., pfd.	100	6,000,000	2 plus 4	J. A. J. O.	5.97	5.97	7.53	5.50	8.75	5.00	.....	.....
Nipissing Mines	5	2,500,000	1 1/2	M. J. S. D.	123	107	116 1/2	113	116	112	114	110
Ogilvie Flour	100	2,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	750,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ont. Steel Products	100	750,000	1	Feb. 1916	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	1,500,000	1 1/2	J. A. J. O.	171 1/2	139 1/2	174 1/2	121 1/2	80	73	.....	.....
Ottawa Power	100	3,481,400	1 plus 1	F. M. A. N.	55 1/2	48	123	120	120	93	85	80
Penman's	100	2,150,000	1 1/2	F. M. A. N.	84	79	82 1/2	82	86	82	82	80
Do., pfd.	100	1,075,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Porte Rico Ry.	100	3,000,000	1 1/2	Last div. Oct., 1914	.....	.....	.....	.....	.....	.....	.....	.....
Price Bros.	100	5,000,000	.....	Initial Sept., 1916	.....	.....	.....	.....	.....	.....	.....	.....
Qubec Railway	100	9,093,500	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Riordon P. & P. com.	100	4,500,000	1 1/2	1 1/2 p.c. May, i.p.c. qtdy	.....	.....	.....	.....	.....	.....	.....	.....
Riordon P. & P. pfd.	100	1,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Russell Motor	100	800,000	.....	Last div. Feb. 1913	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	1,200,000	.....	Last div. Aug. 1913	.....	.....	.....	.....	.....	.....	.....	.....
Sawyer-Massey	100	1,525,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Do., pfd.	100	1,500,000	.....	Last div. June, 1914	.....	.....	.....	.....	.....	.....	.....	.....
Shawinigan	100	14,873,750	1 1/2	J. A. J. O.	142 1/2	110	139 1/2	110	137	128	130 1/2	119 1/2
Sherwin Williams	100	4,000,000	1 1/2	D. M. J. S.	60 1/2	53	65	55	59	54 1/2	59	56
Do., pfd.	100	3,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Smart Woods	100	1,718,600	1 1/2	J. A. J. O.	90	90	45	28	57	33 1/2	55	45
Do., pfd.	100	1,548,500	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Spanish River	100	8,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Spanish River, pfd.	100	3,000,000	.....	Last div. July, 1913	.....	.....	.....	.....	.....	.....	.....	.....
Steel Co. of Can.	100	2,699,100	1 plus 1/2	carries div. Jy. '14								

THE EXPORTER'S FIELD

SENATE NOTIONS ON TRADE EXTENSION.

Committee Recommend the Formation of a Trade Bank.

THE SENATE OF CANADA. Special Committee on Conservation of Canadian Trade.

The Honourable Messieurs: Nicholls (chairman), Beaubien, Dandurand, Edwards, Gillmor, McLennan, Richardson, and Watson.

SECOND REPORT.

Committee Room No. 69,
Thursday, July 19, 1917.

The Special Committee appointed to inquire into and report upon the best method or methods of conserving and increasing our domestic and overseas trade to the end that our present prosperity may not unduly suffer when the stimulus resulting from orders for munitions and other war supplies is removed, beg leave to make their Second Report, as follows:—

Your Committee has had under consideration for its first objective the best means of meeting the needs of Canadian trade after the war, with particular reference to

1. Securing orders for overseas trade to replace in part the great volume of orders that during the war have been received for war munitions and supplies.

2. The financing of large overseas contracts.

After due inquiry your Committee are of the opinion that the organization of a trade bank to be known as The Canadian Trade Corporation would best meet the object. In arriving at this conclusion due regard has been paid to the evidence submitted before a Committee appointed by The British Board of Trade "to consider the best means of meeting the needs of British firms after the war." As a result of the report of the British Committee the Government of Great Britain has granted a Royal Charter to a trade bank known as The British Trade Corporation, having for its object amongst others the following:

(a) To afford advice and financial assistance to British commercial and industrial undertakings and generally to further the development of British trade, industry and commerce.

(b) To assist in obtaining orders from abroad for British manufacturers and traders and to grant financial facilities for the execution of such orders.

(c) To acquaint themselves with the conditions of trade and with the business requirements of all countries of the world and to enter into banking arrangements with such countries with colonial and British foreign banks, or where necessary to open up branches in such countries.

(d) To establish, equip and maintain information bureaux in close touch with the Department of Commercial Intelligence of the Board of Trade for furnishing British merchants or manufacturers and the business community generally with reliable data and information upon openings for trade, new contracts, state and other loan and issue proposals, and generally upon all matters relating to foreign trade and business, and to undertake the examination of industrial projects.

(e) To act as an agent for carrying through overseas commercial and financial transactions in which His Majesty's Government may be interested and to receive official recognition and assistance.

Your Committee have after inquiry ascertained that the chartered banks, or some of them, and leading industrial and commercial companies and individuals are willing to favourably consider undertaking the organization and operation of a Canadian corporation somewhat similar to the British organization, and having for its object the conservation and extension of Canadian trade after the war. Your Committee have taken into consideration that the British Trade Corporation, although not directly operated under the control of the British Government, was nevertheless organized directly at the instigation of that Government, which has accorded them certain privileges and extended to them a certain measure of assistance and official recognition.

Your Committee therefore recommend:—

1. That the Senate of Canada forward to The Right Honourable the Prime Minister, Sir Robert Borden, G.C.M.G., a copy of this Second Report of the Special Committee on the Conservation of Canadian Trade, with the request that due regard and consideration be given to the importance and advisability of aiding in such manner as may be deemed prudent

CANADA'S IMPORTS FROM U. S.

Exports to Europe from the United States during May reached a value of \$364,041,800, compared with \$330,487,348 in May, 1916, and during the eleven months ended May amounted to \$3,961,877,316, against only \$2,686,078,458 for the corresponding period of the last fiscal year. With the exception of Asia and Oceania, shipments of merchandise from the United States to all territorial divisions, as determined by the Department of Commerce at Washington in preparing the official trade statistics, recorded gains during the month, and for the longer period the expansion applied to all divisions. The growth of the export trade to Europe was proportionately greater than to any other division except North America, where the increase for the eleven months was almost 75 per cent.

Shipments to Europe during May represented more than 65 per cent. of the total export trade of the United States, which was valued at \$552,795,022. In May, 1916, the proportion of the exports going to Europe was slightly greater, standing at close to 70 per cent. of the trade, valued at \$474,803,637. Since then, however, there has been enormous expansion of the exports from the United States to Canada, part of which is sent to Great Britain and other of her Allies after receipt there, and part of which makes possible the release of Canadian supplies for European use.

EXPORTS TO CANADA INCREASE.

The value of exports to Canada in May last was \$90,985,092, an increase from \$49,535,572 in the preceding year. Exports to North America outside of Canada were valued at only \$38,248,829 in May of this year, and at \$26,059,407 in May, 1916.

It may be pointed out that shipments of merchandise to South America, Asia, Oceania, Africa and North America outside of Canada showed a slight actual increase in May, from \$94,780,717 in 1916 to \$97,668,130. They represented less than 18 per cent. of American exports in May last, as against approximately 20 per cent. a year ago. This indicates that the direction of American exports is more steadily toward the Allies of the United States, which took all but a relatively small amount of the merchandise shipped to Europe.

The tendency will, it is expected, develop even more strongly when the effects of the embargoes on the exportation of the more important commodities shipped from the United States, already declared by the President, make themselves felt. The purpose of the embargoes is explained to be the conservation of supplies needed by the United States for domestic use and the prevention of any leakage of minerals to Germany. There is further in view a restriction of the movement of materials needed for the conduct of the war, so far as practicable, to allied nations. As many such materials form an important share of the shipments from this country to neutrals in all parts of the world, the result will be a redistribution of the trade.

Exports of the United States, distributed according to countries and territorial divisions, for May and the eleven months ended May, 1916 and 1917, are expressed in thousands of dollars in the following table:

	AMERICAN EXPORTS.	
	1917.	1916.
Europe	\$364,041	\$330,487
North America	129,333	75,594
South America	24,681	17,734
Asia	25,964	38,930
Oceania	6,094	9,635
Africa	2,679	2,421
Total	\$552,795	\$474,803
	11 mos. ended May.	1916.
Europe	\$3,961,877	\$2,686,078
North America	1,028,249	658,698
South America	231,865	159,334
Asia	350,194	236,410
Oceania	97,044	91,044

and advisable the formation of a Canadian Trade and Banking Corporation which will meet the requirements set forth.

All which is respectfully submitted.

FREDERIC NICHOLLS,
Chairman.

U. S. SHIPS AND EXPORT TRADE.

Of the ocean-borne exports of the United States, valued during May at \$462,674,000, \$81,779,000, or nearly 18 per cent, were carried in American ships. In April, ocean-borne exports were valued at \$457,087,000, American ships carrying slightly less than 15 per cent, while in May of last year exports in American vessels amounted to only \$49,874,000, or not quite 12 per cent of a total trade valued at \$417,448,000. The value of exports transported in foreign bottoms gained only \$13,321,000, or some 3 1/2 per cent, as compared with May, 1916, while the corresponding gain by American vessels was almost 64 per cent.

Part of the increase in the value of exports is due to the rise in prices of materials, but this applies equally to the goods transported by American and foreign vessels. The figures represent a considerable actual gain for tonnage of American registry, and with the shipbuilding programme projected by the Government it is likely that the share of exports handled by American vessels is likely to increase. It may be pointed out that the May figures show an advance over April of close to 18 per cent.

The Government statistics show that during the first eleven months of the last fiscal year the value of exports carried in American ships was \$703,543,020, an increase from \$429,261,918 in the corresponding period of 1915-16, or a gain of 63 per cent, demonstrating that the May advance was not exceptional. On the other hand, exports carried by foreign ships increased 44 per cent in value over that period, rising from \$2,949,672,608 in 1915-16 to \$4,249,279,367 last year. This indicates that the rate of expansion is not being maintained in the case of vessels of foreign registry.

Exports of merchandise in foreign ships were of less value during May than in April in the case of vessels of Belgian, British, Danish, Italian and Spanish registries. Belgian, Dutch and Italian vessels carried merchandise of less value from American ports in May than in May of last year.

Africa	50,794	37,229
Total	\$5,720,026	\$3,868,796

U. S. IMPORTS IN MAY.

American imports continued to gain during May, the values generally exceeding those for May, 1916, and for April of this year. An analysis of thirty-five of the principal items of import listed by the Department of Commerce shows that increases were recorded in twenty-two instances, and declines in thirteen, as compared with April, while twelve items showed losses, as compared with May, 1916. The figures for the eleven months ended May indicate that gains were registered by all except seven of these items over the values for the corresponding period of 1915-16.

The articles which showed an increase during May as compared with April were breadstuffs, cocoa, copper manufactures, dyewoods, fertilizers, manufactures of fibers, undressed furs, India rubber, ivory, leather and leather manufacture, meat and dairy products, nickel, oils, platinum, precious stones, seeds, raw silk, sugar, tin, toys, wood and wood manufactures and manufactures of wool. The items which registered declines were animals, art works, chemicals, drugs and dyes, coffee, raw cotton, cotton manufactures, raw fibers, hats, hides and skins, iron and steel manufactures, silk manufactures, spirits and liquors and raw wool.

Compared with May, 1916, imports of animals, coffee, hats, hides and skins, silk manufactures and raw wool were larger, while imports of dyewoods, manufactures of fibers, ivory, nickel and platinum fell off. The seven items which declined during the eleven months were animals, raw cotton, fertilizers, meat and dairy products, platinum, toys and raw wool.

Two features stand out very strongly on the record. Imports of breadstuffs increased from \$2,046,000 in May, 1916, to \$14,122,000 last May, the latter figure comparing with only \$6,037,000 in April. This has particular interest in view of the shortage of wheat and other breadstuffs, and indicates that the United States is buying heavily in foreign markets to make up the deficit in the domestic supply for home and export requirements. Raw silk imports were valued at \$12,786,000 in May of last year, at \$13,289,000 in April, 1917, and at \$20,416,000 in May, 1917, demonstrating the growing importance of this country as a silk manufacturing nation.

933,000 Women in Britain Replace Men

An analysis of conditions surrounding the employment of women and juveniles in Great Britain during the war is given in a pamphlet issued by the United States Department of Labor's Bureau of Labor Statistics. The material is taken from memoranda made by the British Health of Munition Workers' Committee. In part, the report states:

"Over half a million women were added to the ranks of labor between the outbreak of war and the spring of 1916. Other changes, more important than the mere addition to numbers, have also taken place. Alterations in demand and the shortage of men have brought about transference of women from process to process and from industry to industry, with the result that over half a million women are now directly replacing men."

"In July, 1914, the number of occupied women in the United Kingdom was 5,020,000. In mid-April, 1916, the number had risen to 5,490,000. This was an increase in twenty-one months of war of 470,000. This is about five times the normal peace time increase, which for such a period would have been only about 94,830."

"This accelerated rate of increase is not due entirely to the recruiting of additional women into industry, i.e., of women entering industry for the first time. Probably fewer women have married; certainly fewer women have retired from industry on marriage, and many former workers who had retired from industry have returned for the period of the war."

"The normal increase of occupied females in peace times is not, of course, proportionately, distributed over all industries. In the intercensal period 1901-1911 there had been an actual decrease in the number of females in domestic service, agriculture and clothing. The decline in domestic service and agriculture continued during the war, and there has also been a decline in the number of females in the printing and allied trades, due to scarcity of paper and general slackness in that industry. On the other hand, there has been a fresh influx of women into the clothing trades as a result of increased Government orders for clothing."

INCREASE IN EMPLOYMENT.

"In all other groups of industry the war has increased the employment of women. The increase has been greatest in what may be called the 'non-industrial' occupations, banking and finance leading, with an increase of 242.7 per cent, as compared with 1914, and transport next, with 168.7 per cent. Among the strictly 'industrial' occupations the group of metal industries shows the greatest increase in the employment of females, 88 per cent, with the chemical group closely following with an increase of 84 per cent over the 1914 figures. The other industrial groups show a relatively low rate of increase, the advance for all 'industrial' occupations being only 13.2 per cent."

"The number of women replacing men in various occupations is larger than the number (470,000) given above as representing the total increase in the employment of women since the war began, as many women have been transferred from their normal occupations to do men's work. As a result of these two factors, it is estimated that in April, 1916, there were 523,000 women directly replacing men and 737,000 replacing men either directly or indirectly. This has involved changes in the relative numbers of men and women engaged in different occupations."

"Even in normal times such changes have taken place to a noticeable degree. A comparative study of the figures in a series of census reports from 1861 to 1911 shows that in most groups of industries women have been increasing relatively to men. In a few, however, the proportion of men to women has risen. This is true of domestic service, transport, agriculture, metals, paper and printing, and dress."

Figures are given to show the increase in employment of various kinds, as follows:

	Females Increase Directly employed in July, 1914.	Increase to October, 1916.	Directly replaced males.
Industrial occupations . . .	2,133,000	393,000	314,000
Government establishments . .	2,000	117,000	117,000
Commercial occupations . . .	496,000	268,000	264,000
Professional occupations . . .	67,500	15,000	15,000
Banking and finance	9,500	37,000	37,000
Hotels, public houses, cinemas, theatres, etc.	176,000	16,000	30,000
Agriculture, permanent labor (Great Britain)	80,000	500	20,000
Transport (not municipal) . .	17,000	41,000	41,000

Civil service	66,000	67,000	64,000
Local government (including teachers and transport workers under municipal authorities)	184,000	34,000	31,000
Total	3,231,000	988,500	933,000

TRADE UNIONS' POSITION.

"The introduction of women into the engineering and allied trades has been accepted by the trade union only on the plea of urgent national necessity, and then not without written guarantees (1) that the women shall go out with the end of the war; (2) that the change shall in no way prejudice the economic position of the men; and (3) that all trade union rights and customs shall be fully restored at the termination of the war."

"Despite the guarantees and the conditions at present in force to safeguard their position, trade unionists, the rank and file especially, are convinced that their pre-war position is being undermined. It is pointed out that, although in a number of instances the employers themselves have been compelled to introduce women against their will, when once the

trouble of training them and of adjusting the shop organization to the new conditions are over—assuming that certain processes can be economically done by such labor—a large reserve will have been created which, at the first favorable opportunity will be called upon.

"It is further maintained that after the war the old struggle against the encroachment by the employer upon the skilled man's ground through the introduction of automatic machinery worked by semi-skilled labor will be resumed with these additional factors operating against the men. The result will only be determined then by the relative strength of the organized forces."

"The attitude of the skilled men's trades unions to women is largely determined by these considerations. With a view to simplifying the return at the end of hostilities to pre-war conditions, they prefer that women rather than men should now come into the industry, since the line of sex demarcation is clearer than any line based upon classes of men. On the other hand, if the influx of unskilled and semi-skilled labor is to remain or increase after the war, they prefer that men rather than women should now come into the industry on the ground that the former are stronger in their support of trade unionism, and the probability of a reduction in the skilled man's standard of life by their competition is, therefore, less."

The Allan Line

Retirement of Mr. Hugh A. Allan—An Address from the London Staff.

The acquisition of the Allan Line of Steamships by the Canadian Pacific Railway Company has led to changes in the office arrangements which were completed recently when the agencies in London, Eng., were consolidated.

On the occasion of the retirement, on July 15, of Mr. Hugh A. Allan, chairman of the Allan Line Steamship Co., Ltd., the directors and staff presented him with an illuminated address.

ALLAN LINE'S HIGH STANDARD.

Mr. W. McK. Rodan, one of the directors, in making the presentation, said:—"We can only in a measure realize what the wrench must be to you in terminating your long and close association with the Allan Line, a line founded by your forefathers almost a hundred years ago, and carried on so successfully by yourself and other members of the Allan family, but I am sure I am speaking for every member of the staff when I say that your retiral is to us a real and personal loss. We appreciate more than we can convey to you in words our pride in the fact that since you took over the full control of the Allan Line in 1909, by your great business capacity and power of organization, by your unremitting attention to every detail in the management of the line in all its ramifications, and last but not least, especially by the additions to the fleet including the building of the Alsatian and Calgarian, in every detail of the design and construction of which you took such a personal interest and pride, and which with other steamers of the fleet are doing such splendid service for the country in this time of trial, you brought the Allan Line up to a standard which, if equalled, certainly not excelled in the shipping world. It must be gratifying to you to know the important work the Alsatian and Calgarian are performing in the present war, and the fact that the Alsatian was selected as the flagship of the Armed Merchant Cruiser Squadron."

"Your whole business career is a record any man might be justly proud of. You have, however achieved, in our opinion, even a greater triumph, inasmuch as in placing the Allan Line flag in the forefront of British shipping, you have by your unflinching courtesy and kindness gained the respect, the esteem, and the affection of every member of your staff—and to live in the hearts of those with whom we have been associated is the greatest triumph any man can achieve. We can assure you, Sir, you have earned this in the fullest measure."

"In view of our very long and close association, I would like to add a personal reference—that during that long period we have been through many strenuous times together, and have undertaken many important and long business journeys, but never can I recall on your part one unpleasant word, or one jarring note in our relationships, and whatever the future may have in store for me, this remembrance will be my happiest memory. This I mention, because I know it is only characteristic of your attitude towards every member of the staff."

The address was then read by Mr. Thom, the oldest

employee of the Allan Line, with a record of almost fifty years' service.

MR. ALLAN'S REPLY.

Mr. Hugh A. Allan, in responding, said:—"I hope if on this occasion I show more emotion than usual you will excuse me and remember that a connection of forty years with the Allan Line, and the last eight years over here working with you all, cannot be lightly cast aside. When I came over here in 1909 we were practically strangers to each other, and I felt some doubt as to whether I should be able to make good. From the first, however, you trusted me and showed me in many unmistakable ways that I could depend upon your loyal support. Helped as we were by the favourable trade conditions, the results of the work from the start turned out most satisfactorily, and these results have surpassed all previous records of the Allan Line in times of peace. This success was due for the most part to the excellent organization we were able to establish and the esprit de corps that existed amongst the staff. By your devotion to your work you have enabled us to continue to show good profits, and I am sure you will all agree with me that up to the outbreak of war we were more than holding our own in the severe contest for business in the North Atlantic trade."

"It is pleasing to look back and realize that in bringing about these happy results we have at the same time been engaged in work which very materially helped to build up one of the most important parts of the British Empire. For fifty years and more the name of the Allan Line has been to the fore in Canada, and I must say I am proud of that name and proud to feel that we have together not only maintained but I may say have added to its prestige since 1909. The Allans have been in the North Atlantic trade for ninety-eight years, and now that my brother Andrew and I, the last representatives of the family, are giving up the agencies on both sides of the Atlantic, I feel that the connection is broken."

"You have, Mr. Rodan, made kindly reference to our personal relations, and I would like to take this opportunity of acknowledging the many acts of yours which have enabled me to carry on the business and without which I could not have hoped to succeed, and I would like to add that during all the time we have been together I have always found you willing and ready to give me that support which your thorough knowledge made so valuable. I thank you all a thousand times for your loyal support, and I hope you may all enjoy a successful and prosperous career under the new conditions that are being brought about. In my retirement I shall watch the progress of you all, and shall hope that we may meet from time to time. I will have before me this beautiful address, which will not only be much appreciated by my dear wife and daughter and myself, but will, I feel I may say, be a token unto them and others that I have gained the esteem of those whose esteem I most valued, the tried and trusty friends with whom

(Continued on page 21).

COMMODITY MARKETS

Week's Wholesale Review

Wholesale trade for the summer season of 1917 is decidedly in excess of last year. The hardware trade reports excellent business being done in spite of increased prices, the iron and steel and allied industries have all the work they can handle. Travellers for dry goods houses report orders coming in steady; in grocery circles a large volume of business is recorded and the outlook is encouraging. In some industries a shortage of materials and labor is being felt.

THE GRAIN MARKET.

The Board of Grain Supervisors for Canada in session in Toronto on July 21st last, have ruled that dating from 1st August, 1917, the maximum price of wheat, basis One Northern in store Fort William, shall not exceed \$2.40 per bushel. This holds until further notice and applies to the balance of the present crop. More favorable weather in the Spring wheat regions of the American and Canadian Northwest caused a sharp sag of 5c. per bushel in July wheat in Chicago on Tuesday last, which closed at \$2.54, and September made a still steeper drop of 6½c per bushel, closing at \$2.25. September corn was quiet and ½c lower at \$1.63½, whilst December dropped 2c to \$1.14½. Oats were decidedly easier and 2½c lower for July, which closed at 74½c. September was 1½c down at 57½c.

Like influences had a similar effect upon the Winnipeg market when October wheat dropped 2c per bushel.

On Wednesday October wheat declined 9½c per bushel in Winnipeg, closing at \$2.20½, whilst July wheat in Chicago dropped 13c per bushel to \$2.41, and September was down 6c per bushel to \$2.19. Corn was only ¼c to ½c down at \$1.63 September, and Oats were 1½c lower at 73½c July. On Saturday, the market again displayed additional strength and prices were higher all round. Cash wheat changed hands at \$2.41½ basis, 1½c higher than Friday. October wheat was bid up to \$2.30, 1½c higher. The demand for oats is still active. There is little doing in barley. The flax market is also dull, so far as trading is concerned, in spite of the advanced prices. Cash wheat closed 1c below Friday. October wheat closed 1½c higher, July oats closed ¾c down, October ¾c lower, and December ¾c down. July flax closed 4c higher, October 6½c up, and December 9c up, July barley closed unchanged.

Grains:	per bushel.
Spring Wheat, Northern No. 1	2.39
Do., No. 2	2.36
Do., No. 3	2.31
Do., No. 4	2.19
Do., No. 5	1.94
Do., No. 6	1.67
Feed	1.54
Oats:	
No. 2 C. W.	0.79½
No. 3 C. W.	0.77
Do., Extra No. 1 feed	0.76
Do., No. 1 feed	0.74
Barley:	
No. 3 C. W.	1.25
Rejected and Feed	1.10
No. 4 C. W., Rejected	1.20
Flax:	
No. 1 N. W. C.	3.15
No. 2 C. W.	3.12
No. 3 C. W.	2.98

The Board of Grain Supervisors for Canada has prohibited any sale or shipment of Canadian wheat without consent of the Board, to parties in the United States, so far as concerns the balance of the present crop and until further notice.

THE LOCAL FLOUR MARKET.

A slightly stronger tone developed in the wheat market at the end of the week, but there were no actual changes in prices. Throughout the week the demand for spring wheat grades of flour has been very good for the Provinces of Quebec and Ontario account, fair for the Maritime Provinces and poor for Montreal. Towards the end of the week there was a good demand for ninety per cent soft wheat flour, while the other grades were neglected.

MILLFEED AND ROLLED OATS.

The local demand for bran was heavy last week, while shorts and middlings were neglected. Rolled oats for export were in good demand, and the Pro-

vince of Ontario was also a good buyer, but the local purchases were very light.

Prices follow:

Flour:	Per barrel.
First patents	13.00
Second patents	12.50
Strong bakers	12.30
Cereals:	
Rolled Oats, 90 lb. bag	4.40 4.50
Feeds:	Per ton.
Bran	35.00 36.00
Shorts	40.00 41.00
Middlings	50.00
Moullie, pure grain grades	60.00

HAY.

The market remains very quiet, farmers being busy in the fields harvesting the new crop. The market is unchanged and on the easy side. Good No. 2 hay being quoted at \$11.00 in car lots on track.

RECEIPTS OF GRAIN AND FLOUR.

The receipts of grain and flour in Montreal for the week ending July 28, 1917, were:

Wheat, bushels	1,066,947
Oats, bushels	127,295
Barley, bushels	10,034
Flour, sacks	26,476
Meal	1,887
Hay, bales	7,472
Straw, bales	962

LOCAL STOCKS OF GRAIN IN STORE.

The following table shows the stocks of grain and flour in store in Montreal for the week ended July 28, 1917, with comparisons:

	July 28, 1917.	July 21, 1917.	July 29, 1916.
Wheat, bushels	2,980,160	2,838,000	1,066,836
Corn, bushels	62,690	159,259	584,060
Oats, bushels	3,859,742	3,871,016	1,103,488
Barley, bushels	183,180	274,646	213,735
Rye, bushels	164,008	163,736	44,005
Buckwheat, bushels			849
Flaxseed, bushels			19,113
Flour, sacks	69,437	50,545	55,756

RECEIPTS OF GRAIN IN WINNIPEG.

The receipts of grain in Winnipeg for the week ending July 28th, 1917, were:

No. 1 Hard	1		
No. 1 Northern	85	155	
No. 2 Northern	218	289	
No. 3 Northern	247	344	
No. 4 Wheat	198	200	
No. 5 Wheat	138	130	
No. 6 Wheat	69	71	
Feed Wheat	25	37	
Rejected	38	34	
No. Grade	258	329	
N. E. Grade	1		
Winter	2		
No. 4 Special	15	25	
No. 5 Special	9	27	
No. 6 Special	7	6	
Totals	1,314	1,714	4,320
Oats	700	904	1,466
Barley	81	91	236
Flax	109	97	173

BUTTER.

Prices are 2 cents higher this week and with good local demand a steady or even stronger market is anticipated.

At the Quebec Agricultural Co-operative Society's sale at the Board of Trade on Monday, prices for butter scored an advance of ½c per pound. The new advance in price followed an increase of 5 shillings in the maximum price fixed by the British Government in England, making 34 cents. Local exporters are asking about 37 cents, and business is consequently slow.

At Gould's Cold Storage on Tuesday, between 400 and 500 packages of butter sold at 36c to 36½c, an advance of ¼ to 1c per pound over the price fetched on Friday. Trading was slow, but all offerings were sold. The undertone to the local market was strong at the recent advance.

At the Quebec Agricultural Society sale of butter, at the Board of Trade on Friday, prices were bid up to 38½c to 38¾c per lb., and at Gould's Cold Storage a like price was made. This represents a jump of 2½c over the corresponding sales on Monday and Tuesday last. The receipts of butter, to date, are below those for last year. Up to last Saturday they were about 30,000 below those for the corresponding period a year ago. For the same period, last year, the exports amounted to over 48,000 boxes. This year there is no exportation of account, owing to the fact that the Canadian price keeps a few cents above the British Government's maximum for the United Kingdom. This should leave a surplus of about 18,000 for local consumption more than last year, yet to-day's price of 38¾c compares with 30¾c at the corresponding sale a year ago. In the local market there are no expectations that there will be any export trade, and a large accumulation is expected by the end of year, hence the term "crazy" applied by local dealers to to-day's prices. Home speculation was blamed for the price, and for the high prices of the past month or so.

We quote prices as follows:

Finest creamery	0.39	0.39½
Fine creamery	0.38	0.38½
Finest dairy	0.37	0.37½
Fine dairy	0.36½	0.37½
Lower grades	0.35	0.36½

At the butter auctions.

CHEESE.

The country market for cheese continues steady with only minor fluctuations due to local conditions. The bulk of the cheese being made is for export and large stocks are being accumulated, waiting for ships, in Montreal.

RECEIPTS OF DAIRY PRODUCE.

Following are the receipts of eggs and of dairy produce in Montreal for the week ended July 28, with comparisons:

	Butter.	Cheese.	Eggs.
Week end, July 28, 1917	11,968	75,628	5,381
Week end, July 29, 1917	15,761	88,850	13,372
Receipts from May 7, 1917,			
to July 28	166,273	789,668	174,251
Receipts from May 1, 1916,			
to July 28	202,531	977,734	250,872

SUGAR.

On Thursday, July 26th, the Canada Sugar Co. put up its prices 15c per 100 lbs. on refined sugar (making 100 bags \$8.20 instead of \$8.05), and the St. Lawrence and Atlantic Co. advanced values 30c per 100 lbs., making 100 lb. bags \$8.50 instead of \$8.20.

CORN SYRUP PRICES HIGHER.

A circular to the trade from one of the largest corn products companies states that owing to the scarcity of corn and the advance in cash prices, that prices would be advanced dating from July 28th, 30 cents per case, and 15c each per 2-gallon pail, 20c per 3-gallon pail, 35c per 5-gallon pail. And that ½c per lb. would be added to the price of all syrups in bulk.

Following are the sugar quotations:

	100 lbs.
Atlantic and St. Lawrence Sugar Companies, extra granulated sugars	8.50
Acadia Sugar Refinery, extra granulated	8.50
Canada Sugar Refinery, extra granulated	8.20
Dominion Sugar Co., Ltd., crystal granulated	8.50

FISH.

The season for fresh Gaspé salmon is about over, and they are becoming scarce with consequent advance in prices. Haddock and cod are in fair supply with prices firm. There are no more fresh gaspercaux or shad herring, and all kinds of pickled and boneless, and prepared fish are extremely scarce.

FRUIT AND VEGETABLES.

Many of the green and root vegetables of new season's crops are easier in price now, and are in good demand. Canadian tomatoes are up on the market at \$4.00 per bushel crate. Strawberries are pretty well over, but raspberries are ready. New peppers are upon the market, and watermelons are easier.

COUNTRY PRODUCE.

EGGS.

The receipts of eggs in Montreal last week amounted to 5,381 cases as against 13,372 cases for the corresponding week a year ago. The receipts from May 1st to July 28th amounted to 174,251 compared with 250,872 for the same period in 1916. For the past week the total receipts fell short of those for the corresponding week a year ago by 8,000 cases, while the receipts for the season to date are over 76,000 cases short of last year's for the corresponding period. At the beginning of last week prices were advanced 4c per dozen over those for the previous week and the firmer market has been maintained. New laid candled stock changing hands in a jobbing way at 46c to 48c with fresh gathered as they arrived selling at 42c to 43c with number one storage at 40c to 44c. These jobbing prices are above an export basis. Receipts of eggs continue light, and the consumption is heavy.

The export outlook has greatly improved. Enquiries and offers have been received from Britain both for immediate and fall shipment. There is, however, no fresh-gathered surplus at present available. Some sales reported of storage for fall shipment at good prices.

Current prices are as follows:

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

POULTRY.

The poultry market continues quiet with a few arrivals of live fowl selling at 22c to 25c according to size. Large quantities of storage stocks still on hand.

There is no business passing in the export trade. Sales could be made if space was procurable. About 5,000 boxes of chickens were exported to Great Britain last week from New York.

BEANS.

The city of Verdun has prohibited the sale of Rangoon or Burmese beans in that district and so a new situation has arisen in the local market. This notice followed letters from the Health Department at Ottawa, stating that the Rangoon bean, was poisonous, and would be likely to cause diseases. In former years, Montreal has been in the habit of importing French and Austrian beans to supplement the Canadian crop, but this source of supplies has been cut off since the war began, and this year local firms imported large quantities of beans from India and Burmah, commonly known as "Rangoons." Because these beans have been selling at a much cheaper price than the Canadian white beans, they have been more generally bought by the local consumer. Sometime in August, there will arrive via Japan, a large consignment of these beans for the local market, and if Verdun's order is to be followed by like orders throughout Canada, and the imported bean is put off the list of foods, the Canadian bean will possibly become more of a luxury than it is at the present time.

POTATOES.

A few new potatoes from districts around Montreal have been brought into the city, but they were very small. Next week they are expected to be in more

marketable shape. Sales of American potatoes in barrels are reported at \$5.00 to \$6.00 per barrel for No. 1 and \$3.00 to \$4.00 for No. 2. A lot of 150 bags of old Canadian potatoes were reported at \$2.00 per bag of 90 lbs.

MAPLE PRODUCTS.

Last week the British Government lifted the embargo that had been placed on sugar imports into England, and a good cable demand for Canadian goods was the result. In the local market the demand for syrup had caused a lot of manufacturing from the sugar in store, so that when the English embargo was lifted the market was found to be shy of stocks of sugar, and the price advanced a cent per pound immediately. Outside of this demand and some shipments to Western Canadian points and to Denver, Colorado, there was little business done. Prices for syrup closed unchanged from those of last week.

PROVISIONS.

Receipts of provisions in Montreal for the week ending July 28th, 1917, were 1,439 packages of tinned meats, 2,643 live hogs, 86 boxes of hams and bacons, and 154 packages of lard. The extreme hot weather of last week had a depressing effect on the provision market except in the case of cooked meats the demand for which was exceedingly good and dealers were kept busy filling orders. Prices did not change, however. The price of pure lard descended 1c. per lb., and there was a much weaker tone to the market which was due to the accumulation of stocks and a decreased demand. The market for live and dressed hogs became very firm on Friday when sales for dressed were made at 1/4c per lb. advance to 23c to 23 1/4c for abattoir fresh killed stock. The prices for live hogs did not change.

We quote current prices as follows:

Hams:—	Per lb.
Smoked Hams, 8-10 lbs.	0.30
Do., 12-15 lbs.	0.28
Do., over 25 lbs.	0.26
Bacon:—	
Breakfast	0.35
Windsor Bacon, selected	0.37
Windsor Bacon, boneless	0.39
Barel Pork:—	Per bbl.
Short cut pork	0.48
Pure Lard:—	0.52
20 lb. pails	0.24 1/2
Compound Lard (Western Grades):—	
Tubs	0.21 1/2

LIVESTOCK.

MONTREAL.—The offerings at the two sales last week, amounted to 1,510 cattle, 1,135 sheep and lambs, 1,940 hogs and 1,520 calves. There was a very draggy market for cattle on Monday and with the exception of lambs, which advanced a dollar on light offerings, prices were generally lower. On Tuesday small offerings of very choice cattle resulted in a reaction, and the draggy feeling which has existed for some weeks now disappeared and with the exception of hogs the general undertone of the market became stronger, sheep advanced 50c per cwt., and lambs \$1. Trading in hogs was heavy on both days but prices showed a slight decline in price. As offerings in sheep and lambs were limited and the demand good, prices went up to \$9 for sheep, and \$14.50 for lambs. Calves were steady at \$6 to \$8 for grassfeds and weaker at \$12.00 to \$14.00 for milkfeds.

TORONTO.—The offerings at the two yards amounted to 5,745 cattle, 571 calves, 2,427 hogs and 2,209 sheep and lambs. The hot weather had a depressing effect upon the cattle markets and trade throughout the week was dull and draggy, with further sharp declines in prices. All cattle became easily 25c to 40c lower constituting a decrease for the first three days, business of from 60c to 75c. The high figure paid for butcher cattle was \$10.50 for a load of twenty, averaging 1,277 lbs. Good butchers', with very little demand, were bringing from \$9.50 to \$9.85. Cows found a better request, and sold at from \$7.50 to \$10 for good to choice, and one exceptionally fine cow brought \$11 per cwt. Bulls were a slow sale at from \$6.50 to \$7.50.

In marked contrast to the decline in the cattle section of the market hogs sold at an advance, and brought \$16 fed and watered. The apparent scarcity of hogs is responsible for the rise in price.

	Per Cwt.	
	Montreal.	Toronto.
Butchers' steers, per 100 lbs.		
Do., choice	10.00	11.00
Do., good	9.50	10.00
Do., medium	8.50	9.50
Do., rough	7.50	8.00
Butchers' Cows.		
Do., choice	8.25	8.75
Do., good	7.50	8.00
Do., fair	6.50	7.00
Bulls, choice	9.00	9.50

Do., good	8.00	8.50	....	....
Do., fair	7.00	7.50	6.00	6.50
Canners cattle.				
Do., bulls	5.50	6.00	5.00	6.25
Do., Cows	5.25	5.75	....	....
Sheep and Lambs.				
Yearling	13.00	14.00	....	....
Spring Lambs, each	8.00	9.00	13.00	14.00
Calves, milkfed	11.00	12.00	8.00	13.50
Do., grassfed	6.50	7.25	....	....
Hogs, good	15.25	15.75	....	....
Do., choice selects	16.00	16.50	....	....
Do., heavyweights	15.00	15.25	....	....
Sows	13.00	13.50	....	....
Stags	12.00	12.50	....	....

INCREASE OF 1 CENT IN GRAIN RATES, LAKE AND RAIL.

Increases in both the through and local grain rates on both lake and rail and all-rail routes east of Fort William have been granted by the Dominion Railway Commission. On the through rates from Fort William to Toronto and Montreal, there has been an increase of one cent in both lake and rail, and all-rail rates, making the former 16 cents, and the latter 21 cents. But the board has refused to add an additional two cents to the lake and rail rates as asked for by certain railway companies for the purpose of preventing the competition of the Canadian Northern Railway from breaking the all-rail rate.

The increase in freight rates on grain and grain products east of Fort William was included in the Eastern rate increases applied for by the railway companies in February, 1915. But in May, 1916, the request for these specific increases was withdrawn owing to the construction of the National Transcontinental which provided a shorter mileage and the railway companies were unable to agree among themselves what the increase rates should be. Judgment in the Eastern rate case last July provided for increases in the rates on nearly all commodities but no increases on grain and grain products.

The railway companies then made another application for such increases which was opposed by the Dominion Millers' Association, the Montreal Board of Trade, the Montreal Corn Exchange, and James Richardson & Sons, of Kingston. The original application for increased rates on grain and grain products called for the rate by lake and rail to be raised from 15 to 16 cents, and the all-rail from 20 to 21 cents. The second application asked that the lake and rail rate be 18 cents, and the all-rail 21 cents. The increase in the lake and rail rate requested was due to the Canadian Northern not reaching any port on Georgian Bay or Lake Huron. To secure all-rail traffic in competition with the lake and rail routes the Canadian Northern cut the all-rail rate from 20 to 18 cents, claiming they could not handle any of the business at more than three cents in excess of the lake and rail rate. It was to prevent this rate cutting that the additional two cents was sought on the lake and rail rate which was refused by the commission.

On the application for increases on the through rates east of Fort William the board in its decision says: "On the evidence before us we would not be justified in allowing a greater increase in the lake and rail rate than the one cent originally applied for, unless some temporary increase was allowed during the abnormal conditions of war time under the 15 per cent. increase application which the board has now before it. If that application is favorably considered the Canadian Northern Railway Company would doubtless have an opportunity of fixing a remunerative rate which would enable it to get a share of the summer business."

Local mileage rates on grain and grain products have in many instances been increased. For instance local carload rates at present are on a six cent basis, while under the board's decision they will be 6 1/2, and for 200 miles are increased from 9 to 10 cents. Decreases are provided in certain local rates. Detailed schedules of new rates on grain and grain products for the lower St. Lawrence and the Maritime Provinces are also included in the judgment. The railway companies may issue new tariffs based on this decision to become effective on September 1st.

HIDES AND SKINS.

Receipts of raw hides for the past week were 921 against 823 for the week previous, and 1,231 for the same week last year.

The market is quiet for beef hides at 27c. for No. 1, 26c. for No. 2 and 25c. for No. 3. Calfskins 40c, and Lambskins 90c.

The market is quiet but firm. Ontario unwashed wool is quoted at 56 1/2c., and 70c. for fine washed Ontario fleece.

THE ALLAN LINE.

(Concluded from page 19).

I have wrought out shoulder to shoulder the work we were set to do."

THE ADDRESS.

The address is as follows:—

On the occasion of your retiring from active business, the undersigned, on behalf of themselves and the Staffs of the Glasgow, Liverpool, and London Offices of Allan Bros. & Co., U.K., Limited, take this opportunity of expressing in a permanent form their deep appreciation of the consistent and unvarying kindness, consideration and courtesy which you have shown to them since taking control of the Allan Line in September, 1909. They wish to assure you of their esteem, respect and affection, and greatly regret the severance of business relations with you, which have always been of the most pleasant and cordial character. They trust you will have long life and health in which to enjoy your well-earned retirement in the companionship of your wife and daughter.

- | | |
|---------------------|--------------------|
| R. THOM, | JOHN CHERRIE, |
| F. S. THOMPSON, | DONALD MacKAY, |
| W. H. HAMPSON, | T. A. McGRINDLELL, |
| W. C. MASTERS, | W. McGUINNESS, |
| J. W. NELSON, | CHAS. E. RUTTER, |
| JAS. R. SMITH, | GEORGE GRIBBON, |
| HERBERT EVANS, | GEO. H. MORRIS, |
| CHAS. GRAHAM, | A. R. HOLTAWAY, |
| J. BUCKLEY JOHNSON, | T. R. HOWARD, |
| W. McK. RODAN, | E. P. BROWN, |
| M. W. MEIKLE, | A. L. RAWLINSON, |
| JOHN CUNNINGHAM, | T. SOALL, |
| | DAVID DRUMMOND. |

AREAS SOWN TO FIELD CROPS.

The press bulletin issued by the Census and Statistics Office gives the usual second or revised estimate of the areas sown to spring grains; an estimate of the areas under later sown crops, the condition of all field crops at June 30 and estimates of the numbers of farm live stock in Canada at the same date, the whole being based upon the returns of crop correspondents.

For wheat, oats, hay and clover the areas now reported are somewhat higher than the figures of a month ago when the seeding had not been completed; but for other crops, including barley, rye, peas and mixed grains, they are less. For wheat the acreage sown is now placed at 13,549,650 acres, as compared with 14,397,090 acres, the area sown and with 12,990,590 acres, the area harvested in 1916. Thus the area sown to wheat, whilst 9 p.c. less than the area sown for 1916, is 5 p. c. more than the area harvested for 1916. Of the total area under wheat 809,250 acres were sown last fall and 2,749,400 acres were sown this spring. In the three prairie provinces the total area sown to wheat is 12,604,550 acres, comprising 2,448,850 acres in Manitoba, 7,689,700 acres in Saskatchewan and 2,466,000 acres in Alberta. The acreages for all Canada now estimated as sown to other early grain crops, as compared with the harvested areas of 1916, are as follows: Oats 11,806,000 against 9,875,346; barley 1,819,990 against 1,681,180; rye 153,900 against 147,170; peas 151,830 against 150,280 and mixed grains 409,140 against 397,770. Hay and clover are estimated to occupy 7,824,000 acres as compared with 7,892,932 acres, and alfalfa 86,500 acres as compared with 89,472 acres. For later sown cereals and hood crops the estimated areas, as compared with the areas harvested last year, are as follows: Buckwheat 336,400 acres as against 341,500 acres; flax 695,750 acres against 605,700 acres; corn for husking 173,600 acres against 173,000 acres; beans 43,000 acres against 32,500 acres; turnips, etc., 152,100 acres against 156,200; sugar beets 14,000 acres against 15,000 acres and corn for fodder 310,465 acres against 297,100 acres. Every province shows an increase in the area planted to potatoes, and the total area under this crop is estimated at 502,400 acres as compared with 448,800 acres, the area harvested in 1916, an increase of nearly 12 per cent. The acreage under potatoes for 1917 is larger than in any previous year, and is 18,400 acres larger than the previous record of 484,000 acres in 1912.

Textile Mills

throughout Canada are working overtime on military and regular business

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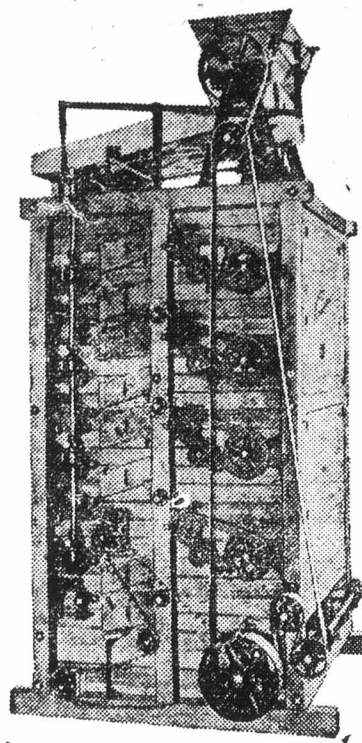
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BREAD REDUCED IN UNITED KINGDOM.

A reduction of 25 per cent in the price of bread at an early date is announced by Baron Rhondda, food controller. A graduated reduction in the price of meat for the army and civilians, which by January will mean a 30 per cent decrease from the amount now paid also was announced. In discussing these reductions with the Associated Press, Baron Rhondda said:

"Steps have been taken to control the profits of butchers and others in a manner to ensure that the benefit will accrue to the consumer. The food controller is handicapped to a certain extent by lack of knowledge of what the United States expects to do. Consequently exhaustive price fixings are now difficult. It is hard for us to fix our price until the United States has fixed hers.

"We have done much towards reducing the consumption of bread through economy. Twenty per cent less bread is consumed now than last year through a stoppage of waste and other elements. This has been done notwithstanding the recent shortage of potatoes, which happily are plentiful now and much reduced in price."

\$20,000 FOR HEREFORD BULL.

That the limit has not been reached in the importation of expensive breeding animals of Alberta is made evident in the purchase by the Glengarry Ranch company, Claresholm, of Gay Lad, 16, which has just been brought at Harris, Miss., for \$20,000. This purchase tops the Canadian Hereford market, outstripping Mr. Collicutt's \$11,500 Gay Lad, 40, and William Fuller's \$17,000 Martin Fairfax. This company has just made a purchase of 14 Hereford animals, the total cost of which was \$48,000.

For the year ended March 31, 1917, the imports into New Zealand from Canada amounted to £766,045—\$3,830,225, an increase over the previous year of £51,154—\$255,770. Since 1913 the trade has expanded by £349,184—\$1,745,920. In other words, since war began the trade with New Zealand has very nearly doubled.

The following table will be interesting as disclosing the trade between the two dominions since 1910:

1910	£200,818	1914	£465,116
1911	281,725	1915	585,874
1912	301,338	1916	714,891
1913	416,861	1917	766,045

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SHIPPING LOSSES.

Twenty-one British vessels of more than 1,600 tons each and three of less than 1,600 tons were sunk last week by mines or submarines, according to the weekly Admiralty report on shipping losses. One fishing vessel was also lost. The Admiralty's summary follows:

Arrivals 2,791
 Sailings 2,791

"British merchantmen sunk by mines or submarines, over 1,600 tons, including two previously, 21; under 1,600 tons, 3.

British merchant vessels unsuccessfully attacked, including three previously, 15.

"British fishing vessels sunk, 1."

The announcement of the British Admiralty given above shows an increase of seven vessels more than 1,600 tons sent to the bottom, as compared with the report of the previous week, when fourteen were sunk. In the smaller category the loss is one less than that given in the report of the previous week, while there was a falling off by seven in the number of fishing vessels sunk.

The report of the week's sinkings of British merchantmen would have shown a low record except for a couple of days, when the Germans had unusual luck. Even with these exceptional days, the total is considered to have been "about normal." The U-boats for the previous fortnight had been kept down to a minimum, but for the current week an upward tendency in the curve would not have been unexpected, in view of the vigorous offensive efforts which the Germans are now putting forward on all fronts and which no doubt are reflected in the orders to the submarine commanders to support the land offensive by strenuous efforts on "the submarine front."

SCARCITY OF SHIPS.

In the course of a debate in the House of Lords on food prices, Lord Beresford said that the shortage of shipping was far more serious than the public knew. The statistics showed that between August, 1914 and January, 1917, the British, Allied and neutral loss was 4,000,000 tons sunk. From January, 1914 until now we had lost nearly 4,000,000 more. The average rate of loss, taking the months from January till now, was 8,000,000 tons a year. When we entered the war there was 49,000,000 tons of shipping in the world, of which the British, Allies and neutrals had 30,000,000. That has been reduced already by 8,000,000 tons. His opinion was that now we had not much more than 22,000,000 or 23,000,000 tons. Against that we had to consider what the Americans could put in the water, including ships taken from the Germans, which was about 2,000,000 tons, but a large number of these ships, were not suitable for cargo carrying. The output of the British and Allies was about 2,500,000 tons. After the first two years of war, shipbuilding went down terrifically, so we were not nearly beginning to make it up. He did not think we could make up altogether more than 4,000,000 tons a year.

They had not only to consider the shortage in steel, but the shortage in engines, too. He thought the position very dangerous, and asked the Government once more to alter the returns of losses, which were most misleading. They put in the arrivals and departures of all ships, but only the losses of British ships, and did not put in the tonnage, which was really the whole question.

As far as starvation was concerned he did not believe that possible. The object of the U-boats was entirely defeated, but he believed that by March or April we should have a great shortage of tonnage, and that would be the difficulty we should have to solve.

President Wilson impressed by the fact that at least 250,000 tons of shipping already has been lost by the delay caused by the controversy between Gen. Goethals and William Denman, has eliminated both Gen. Goethals, General Manager of the Emergency Fleet Corporation, and William Denman, Chairman of the United States Shipping Board, from all connection with the Government's ship construction program.

In the place of Gen. Goethals Mr. Wilson put Admiral Capps, a naval constructor of renown. Edward N. Hurley, ex-Chairman of the Federal Trade Commission, will become head of the Shipping Board, succeeding Mr. Denman.

DOWNWARD REVISION FOR OCEAN FREIGHTS.

Downward revision of ocean freight rates has been agreed upon in principle by shipping commissioners designated by President Wilson and the British Foreign Office to represent the Governments of the United States and Great Britain.

Copies of the proposed agreement, under which the two governments not only would make sweeping reductions in present prohibitive rates, but virtually would take over the operation of all Allied merchantment in the Atlantic, have been placed before the State Department and the British Foreign Office for approval.

All the Allies, with the possible exception of Japan, have signified their willingness to accept the programme. In the case of Japan, it is proposed to have a Japanese merchant fleet of as many ships as possible placed in the trans-Atlantic trade to help render ineffective the submarine warfare. This and other phases of the proposed agreement will be considered when the Japanese mission reaches the United States.

Neutral shipping, under the proposed agreement, also would be forced largely into channels designated by America and Great Britain. This would be made possible by the enforcement of regulations denying to neutral ships supplies of bunker coal, needed by Allied merchantmen, unless the neutral ships agreed to make at least a portion of their sailings between American and Allied ports.

SHIPS LOST IN FOUR MONTHS.

Week Ended	Ships		Total
	Over 1,600 Tons.	Under 1,600 Tons.	
March 4	14	9	23
March 11	13	4	17
March 18	16	8	24
March 25	18	7	25
April 1	18	13	31
April 8	17	2	19
April 15	19	9	28
April 22	40	15	55
April 29	38	13	51
May 6	24	22	46
May 13	18	5	23
May 20	18	9	27
May 27	18	1	19
June 3	15	3	18
June 10	22	10	32
June 20	27	5	32
June 27	21	7	28
July 4	15	5	20
July 11	14	3	17
July 18	14	4	18
July 25	21	3	24
Total	420	157	577

SHIPBUILDING IN THE UNITED STATES.

(New York Shipping Illustrated).

Contracts for 348 wood ships have been let or agreed upon by the Emergency Fleet Corporation, with a tonnage capacity of 1,218,000 tons, at a cost completed of approximately \$174,000,000. In addition, contracts for about 100 wood ships are under negotiation. Contracts for 77 steel ships have been let, or agreed upon, with a tonnage of 642,800 tons, at a cost of approximately \$101,660,356. There are thus provided 425 ships of all sorts, with an aggregate tonnage of 1,860,800, at a cost of approximately \$275,000,000, besides 100 more wood ships under negotiation. The 77 steel boats already under contract, having an aggregate of 642,800 tons displacement, according to General Goethals' announcement, it is estimated, will require about 215,000 tons of steel, including about 129,000 tons of plates and 86,000 tons of shapes. Although the Government programme allows eighteen months to two years in which to complete construction of all the cargo boats, it is believed that less time will be required. Even if only twelve months is allowed as the time in which to deliver steel, the mills will be called upon to furnish only at the rate of 40,000 tons of plates and 27,000 tons of shapes per month for the 400 boats, and 10,000 tons of plates and 6,000 tons of shapes per month for the ships already under contract. It is clearly evident that no great burden will be placed upon the steel mills.

FAST BOATS ESCAPE SUBS.

An analysis of the steamers sunk since February 1, when the ruthless submarine campaign was inaugurated, shows that less than 10 per cent of the boats making 15 knots and over an hour, have been destroyed when attacked. Of the slower boats, especially those of seven, eight and nine knots, the percentages has been as high as 90.

"The boats of the White Star Line," said Welding Ring, at the conference on the shipping program of the U.S. Government held under the auspices of the Chamber of Commerce of the State of New York last week, in commenting upon the results of the investigation of the Chamber of Commerce, "which make sixteen knots or better, have been practically immune from submarine attacks. The same is true of the vessels of the Cunard, the American and other big steamship companies.

"The Adriatic, a 24,000-ton steamer, with a speed of sixteen knots; the 23,000-ton Baltic, the 18,000-ton Lapland, the 21,000-ton Cedric and Celtic, all capable of making sixteen knots, have been making their regular trips through the war zone without injury. The same applies for the steamers St. Louis, New York, Philadelphia, St. Paul, Kroonland, Finland, Carmania, Carpathia and Andania. Once in a while one of these fast boats has struck a mine, but that is liable to happen to any vessels. The giant 35,000-ton Justicia, now in transatlantic service, making eighteen knots, and more under pressure, has had no trouble with the submarines.

"All of the above-named vessels have speed, which is essential to the successful passage of the U-boat zone. They can zig-zag, they can run when attacked, and, being heavily armed, can fight. The Lusitania, a very fast boat, was torpedoed, but was unarmed. On the other hand, slower boats, though armed, have been sunk each week. In many instances the submarine overhauls these vessels by being able to go faster above water than its victims.

"Should the new boats that are to be constructed for the United States Shipping Board be fast vessels, there is every reason to believe they will overcome the submarine menace. If, on the other hand, they are 12-knot ships or slower, as most of the vessels will be for which the Emergency Fleet Corporation has already contracted, they will have little or no chance of escape. Until a submarine destroyer is discovered, fast boats, armed with United States guns and sailors, will have to solve the U-boat problem."

SHIP PRICES.

As samples of the high prices being paid for steamships in England the following recent sales may be quoted:

The Japanese steamer Yahiko Maru ex-Glenelg), 2,694 tons gross, 1,946 net, carries about 4,000 tons deadweight, built at Glasgow in 1888, S. S. No. 1 in 1912, new donkey boiler in 1900, and owned by the Ido Yeizo Yokohama, has been sold in Japan for £127,000.

Japanese steamer Chiyoda Marue No. 2 (ex-Tordenskjold), 1,236 tons gross, 916 net, carries about 1,800 tons deadweight, built at North Shields in 1889, and owned by C. Ssukamoto, Chikuzen, has been sold in Japan for £50,000, delivery July.

British steamer George Allen, 2,257 tons gross, 1,371 net, carries about 3,140 tons deadweight on 21 feet 8 inches, built at Sunderland in 1890, second S. S. No. 3 in 1906, new donkey boiler in 1910, and owned by J. Westoll, Sunderland, has been sold to London buyers for about £80,000. She is free from requisitioning on account of having been taken from the Baltic.

French steamer Edith Cavell (ex-Troperro), 1,367 tons gross, 789 net, carries about 800 tons deadweight on 15 feet, built at Dundee in 1908, S. S. No. 1 in 1916, steams 8½ knots on a consumption of 12½ tons, and owned by the Society Anonum)du S. S. Edith Cavell, Paris, has been sold to French buyers for 3,150,000 francs. She was purchased by French buyers in June last year for about £80,000.

Single-deck steamer Tidewater, 5,266 tons gross, 2,354 net, built at Camden, N. J., in 1916, and owned by the Coastwise Transportation Company, Boston, has been sold to the Italian Government for \$2,600,000. She carries about 8,700 tons deadweight.

Panaman steamer Panama, 946 tons gross, 425 net, built at Dundee in 1912, and owned by the Cia Panamena de Vapores, Panama, has been sold to French owners for \$200,000, delivered at New York and renamed Apollon.

GRAIN RATE CUT IN TWO BY CANAL.

Waterway From Lake Erie to Hudson River
Being Rushed to Completion—
Will Affect Canada.

A statement of great importance to transportation, and of especial interest to Canadian shipping on the St. Lawrence River and the Great Lakes, is that issued recently from New York, saying: "As a war emergency measure, increased forces of workmen are assisting the State Engineer's Office in excavating the last fifteen miles of the New York Barge Canal in the hope that the canal may be completed early in the spring of 1918, to provide the United States with an additional route for transportation of military supplies and relieve the congested railroads, thereby cutting freight rates an expected fifty per cent.

"State officials expect that with the perfecting of the towboat, the round trip from the Great Lakes to New York will be made in less time than ever before, thus making the canal a war asset of no mean importance. For the public benefit, it will lower freight rates, as the larger boats will make possible greater speed in delivery. State Engineer Frank M. Williams recently estimated the present rate for wheat shipment, now five cents a bushel, could be cut in half."

DESCRIPTION OF CANAL.

If this be so, the competition which American routes now offer to Canada in the grain-carrying trade, originating at the head of the great lakes, will be keener than ever. In recent years the bulk of the grain exported from the Canadian prairies to the United Kingdom and Europe has been diverted from Canadian channels at Buffalo and finally delivered to ocean boats at New York, Boston, Baltimore and Philadelphia. The Erie Canal is the main link in the New York State barge canal chain. It joins the Hudson River with Lake Erie; the Champlain Canal, extending north, enters Lake Champlain from the eastern terminus of the Erie Canal; the Oswego Canal, which enters Lake Ontario, and the Cayuga and Seneca Canal, which branches off from the Erie west of Oswego Junction and runs south to Lake Cayuga and Seneca. The improvement or the development of the old-fashioned waterways involved the construction of a channel at least seventy-five feet wide and twelve feet deep to admit, by the employment of standard locks, the entrance of two 1,500-ton barges tandem or one of 2,000 tons.

LINK WITH THE WEST.

Natural water courses have been sought in the new route, for example: The Hudson River is used from New York to Waterford, above Troy. The val-

ley of the Mohawk commences here to the old portage at Rome; then Wood Creek, Oneida Lake, Seneca and Clyde Rivers, bringing the channel direct to the western part of the State, where the Erie Canal, under improvement, is retained. The general improvement not only includes the electrically controlled locks, made of concrete, with the only syphon lock in this country, but does away with the ancient towpath, as all the barges will be operated under their own power.

The third and greatest epoch in the canal's history occurred within the last thirty years, when the question of a cheaper transportation was provoked by the immense traffic between the Western States and the Atlantic Coast, making the Erie Canal a waterway of national importance. Then it became apparent that a barge canal was essential. The National Government had already deepened the channels of the Great Lakes and the Hudson River from twelve to twenty feet, leaving the canal at its seven-foot depth. Following years of investigation, the barge canal act was passed appropriating \$101,000,000 in an eighteen-year bond issue. In 1909 an additional \$7,000,000 was authorized and later an appropriation of \$27,000,000 was voted for terminals. To date the combined cost of construction and maintenance exceeds \$386,000,000.

These last figures have such an important bearing upon the direct financial returns received from the canal that they deserve explanation. Up to the time when tolls on the Erie Canal were abolished, in 1882, more than \$121,000,000 had been collected from this source. The total cost of this famous ditch up to the time of the undertaking of the barge canal reached \$100,000,000, netting the State about \$20,000,000. Consequently it may be confidently asserted that the Erie Canal has not only returned dollar for dollar expended upon it, but also a substantial balance besides.—Toronto Globe.

AMERICAN TOURISTS HAVE NO DIFFICULTY IN ENTERING CANADA.

Ottawa.—In order that there may be no uncertainty as to the attitude taken by the Canadian Government towards tourist traffic and, further, that the regulations may be clearly understood, Superintendent of Immigration Scott, of the Department of the Interior, has issued the following statement:

Bona Fide tourists, being American citizens or citizens or subjects of allied or neutral countries, do not require passports to enter or permits to leave Canada and are assured of courteous treatment and a hearty welcome. Citizens or subjects of countries

MANY TAKING UP FARMS IN WESTERN CANADA.

The Grand Trunk Pacific Railway is at present receiving more inquiries relative to the purchase of farms in Western Canada than for some years past, reports Mr. R. C. W. Lett, Tourist and Colonization Agent of the line, who is visiting Montreal this week.

"Since the beginning of the war there has been a feeling among the farmers of the United States that the settler crossing the invisible border line might be called upon to make some heavy sacrifice in view of Canada's participation in the world conflict," said Mr. Lett, "but with the entry of the United States into the struggle, and the passing of the selective conscription act in the States, these fears are no longer proving a hindrance to immigration into the Dominion. The demand is for the very best kind of land, and we have had in many instances recently the satisfaction of hearing from experienced farmers who have settled here that they have been able to acquire holdings at prices fifty per cent below those ruling in any other section of the continent. In addition to these farmers who are buying improved lands, there is a steady flow of settlers on to the homesteads along the G.T.P. line in British Columbia. During the past two months we have sent into the Nechace and Bulkley Valleys more than fifty carloads of settlers effects. Many of these settlers are Mennonites, hard-working, law-abiding people and splendid mixed farmers. They have had farming experience in other districts and are moving up to virgin land and a good climate. Many of these homesteads which they are taking up are within eight miles of the railway line. These people are well able to do the very best development work, and all have financial resources. One family which we handled recently had a working capital of \$45,000."

with which Canada is at war may not enter even as tourists. Persons born in an enemy country claiming to be naturalized in the United States, or in some other allied or neutral country, should carry their naturalization papers. Persons of evident enemy origin, who claim to have been born in the United States, or in some other allied or neutral country, should carry a birth certificate or some other evidence of their birthplace.

To facilitate departure from Canada, males between 18 and 45 entering Canada for a temporary purpose, may secure on application to the Canadian Immigration Officer where they enter Canada, a card showing that they are not residents of Canada. Women and children do not require any identification card.



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