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TUESDAY, JANUARY 28, 1919.

Special Articles

Housing Schemes

By J. W. MACMILLAN.

Conditions in the West

By E. CORA HIND.

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Bank Amalgamation

THE announcement of the proposed absorption of the Bank of Ottawa by the Bank of Nova Scotia has created quite a stir in the capital city, and various plans are suggested to block the movement. There are, under the amended Bank Act, two stages to governmental action in relation to a bank amalgamation.—The promoters are required in the first instance to obtain the approval of the Minister of Finance for the negotiations, and later the approval of the Cabinet—the Governor-in-Council—is required. The first stage has been taken with the Minister's approval. Evidently a strong appeal is to be made to the Governor-in-Council to refuse their consent.

To some extent the opposition is based on the opinion that the amalgamation of banks is tending to create what is called a "money trust" in Montreal and Toronto. The fact that the number of Canadian banks is being materially reduced by these amalgamations is regarded with anxiety, if not alarm, by many. This feeling is so widespread that both bankers and Government must keep it in mind in considering all merger proposals that may arise. Where two banks are occupying substantially the same territory an amalgamation would probably require the closing of many branches and in this way there would be a distinct diminishing of competition, a tendency toward the monopoly that is feared. It is claimed by the promoters of the present amalgamation that this objection cannot be raised, since there are but few points at which the two banks are at present competing, and these, it is stated, are in large centres so well supplied with branch banks that no monopoly can exist.

While it is well to keep in mind the danger that might arise from amalgamation, it is also necessary to appreciate the importance of having strong banking institutions, able to operate in a large field. To increase the capital of a bank the assent of the Government is required, but there is, we believe, no case in which a bank has been denied the privilege of enlarging its operations. There is a provision that a bank cannot go into operation with less than half a million dollars of capital. Subject to that the bank is practically free to adjust its capital to the business of the sphere within which it operates.

It is difficult to see how a fixed limit can be placed on the amount of a bank's capital. A bank of a local character does not need a

large capital. But a bank operating in all parts of Canada—and still more a bank aiming at the encouragement of Canadian business with foreign countries—must have a very strong financial position. It is a day of big enterprises. In England, where there is a keen appreciation of the new conditions that are arising, several amalgamations of large banks have taken place, for the purpose of creating stronger institutions. In the United States plans are being made for the financing of both home and foreign trade in a large way. Canada has her part to play in this world competition for trade, and Canada's financial institutions must be awake to the need. By all means let care be taken to guard against amalgamations that will materially diminish competition. But let us not through unfounded fears prevent our banks preparing to do their part in the big work of financing Canada's trade extensions.

Ottawa's Regret

A READING of the objections taken at Ottawa to the proposed amalgamation of the Bank of Nova Scotia and the Bank of Ottawa leaves the impression that they arise more from pardonable local pride than from the fear of a banking monopoly. If the Bank of Ottawa were absorbing the Bank of Nova Scotia, retaining its head office in Ottawa, probably little, if anything, would be heard at the capital against the merger. The Bank of Ottawa has been a valuable aid to the business development of the Ottawa valley. It is one of the institutions of which Ottawa has been proud. Naturally enough the Ottawa folk do not like the idea of the disappearance of the time-honored name. They do not view with pleasure the prospect of having a branch bank where they have hitherto had a bank's headquarters.

Ottawa is not the first city to have its feelings wounded in this way. Business interests have a habit of over-riding sentiment. Sherbrooke was long the headquarters of a bank, but now has only branch banks. Quebec sorrowfully saw one of its banks move its headquarters to Winnipeg a year or two ago. St. John, N.B., was the headquarters of a bank, but is no longer. Halifax a few years ago had the headquarters of five banks. To-day only one remains and in that case, while the Board of Directors

still meets there, the executive office has been moved to Toronto. Three of the old banks have been absorbed by larger institutions. In one case an Act of Parliament was obtained, not without considerable hostility, for the removal of the headquarters to Montreal. While the people of the several cities mentioned viewed these changes with regret they had to recognize that they were rendered necessary by the changing business conditions of the country. That local pride will be somewhat wounded by the change at Ottawa is natural, but there is no good reason why the financial needs of the Ottawa valley should not be well served by the united banks. Sentiment is not to be despised. It is to be respected. But wherever it comes into conflict with business the latter is likely to prevail.

Secrecy of the Conference

IT is surprising that so many people, journalists chiefly, allowed themselves to entertain the belief that the days of "secret diplomacy" were over, and that in the case of the great Peace Conference at Paris the meetings were to be held with open doors. Perhaps a reference by President Wilson in his "fourteen points" had something to do with this. But men who had any proper conception of the responsibilities that rest on those in charge of great affairs should have known that the opening of the Conference to the press representatives was an impossibility. If men who are called together to confer on matters of large importance cannot meet and talk in confidence they might as well stay at home. Whether it be in public affairs or in private affairs, confidential discussion is an essential feature if there is to be any hope of satisfactory conclusions. The denunciations of secret diplomacy and the demand for an open Conference were foolish efforts to cater to the thoughtless. Face to face with the business on hand, the delegates at the Conference, even President Wilson and his colleagues, have had the good sense to decide that the deliberations shall be private. There is a pretence of an open Conference, but it is only a pretence. The formalities of the opening meeting were public and occasionally, when there is nothing to debate, the pressmen will be admitted. But the real business of the Conference will be considered, as it should be, with closed doors. The memorandum concerning this, issued by the preparatory Conference gives reasons for secrecy that are unanswerable. Of course, there is an outcry against the decision. The American journalists seem to be the most indignant. With the object, apparently, of breaking the force of the blow to them, Mr. Lansing, the American Secretary of State and a delegate to the Conference, has given out the following statement:

"The American policy is that fullest publicity consistent with the rapid and satisfactory discharge of important business which must come before the Peace

Congress should be accorded. It is possible that sessions should be open when business is advanced to a point where it can be regarded as ready for final action. It may be, however, that in the earlier stage, when subjects are being discussed between groups, or in committees, or in meetings of all the delegates, with a purpose of reaching agreements on controversial phases, it would be inadvisable to conduct these discussions openly. There might never be an agreement otherwise.

"That would not be secret diplomacy in any sense, however, for no agreement so arranged could be effective until approved by all the delegates in open session."

Let us hope that Mr. Lansing's smooth words may placate the wrathful correspondents. But really there is nothing new in them. His statement amounts to a declaration that the old and necessary policy will be adhered to, that the Conference will hold its meetings privately and give out what it pleases. His suggestion that an agreement arranged privately might have to be "approved by all the delegates in open session" is one that he may have difficulty in living up to. But if such a procedure were adopted it would simply mean that the "open session" would be held, not for discussion, but merely to make a record of a conclusion that had been reached after debate within closed doors. There would be no useful "publicity" in such a procedure.

Two Good Things

TWO recent announcements of the Minister of Militia are deserving of much praise. One is that the proposed gratuity to the returned soldier on discharge, previously fixed at three months' pay, shall be increased and so graduated that the men of longest service shall receive six months' pay and allowances. The time of demobilization is an anxious one for the returned soldier. For months and years he has been serving in a capacity in which he had to think of nothing but obedience to orders and the maintenance of his military efficiency; all else came to him as the result of plans and arrangements made for him. Suddenly he finds that all that is ended, and he has to look out for himself. He must find, as soon as he can, something to do. He may not find it immediately. The allowance made to him on his discharge will enable him to take time to consider what his next step shall be, and he will face the problems of the future with greater confidence than he could with an empty pocket.

The other very commendable thing is the decision of the Department to provide for the expenses of the home-coming not only of the soldier, but also of his dependents. In some cases soldiers' wives went overseas to be near their husbands. Many soldiers married in Europe. The expense of bringing wives and children to Canada would be a heavy burden

for most of the soldiers. The determination of the Department to bear this expense will be generally approved. There is everywhere in Canada a disposition to see that generous treatment is accorded to the men who are returning from a war in which they and their comrades who gave their lives did so much honor to Canada. In these two recent announcements we are sure the Minister has given expression to the desire of the Canadian people.

These things will cost much money. They will be a considerable addition to our already heavy war expenditure. But the people will not grudge money applied to such laudable purposes.

Russia

THE situation in Russia is one of the most difficult problems which the Peace Conference faces. A couple of weeks ago quite a sensation was caused by the statement in a Paris journal that the British Government had proposed that representatives of the Bolsheviks be admitted to the Peace Conference, and that the proposal had been warmly rejected by the French Government. Premier Clemenceau and his Foreign Minister, Mr. Pichon, indignantly declared that they would have no truck or trade with the Bolsheviks. Public opinion seemed to be for the moment with the French statesmen and against the action of the British Government. A quick change has taken place in Paris. On the motion of President Wilson the Conference unanimously agreed to a movement which differed little from what Mr. Lloyd George had proposed. The Conference did not invite the Bolsheviks to come, but it agreed to send a deputation to meet them. The President's proposal, accepted by the Conference, was that an invitation be sent to all the Russian sections, including the Bolsheviks, to attend a meeting on the 15th of February on Princes Island, in the Sea of Mar-mora.

Whether the desired meeting can be brought about is doubtful. Some of the Russians who are most hostile to the Bolsheviks, feeling as Mr. Clemenceau did, are unwilling to sit at any table with the Lenine-Trotsky men. One can sympathize with the feeling that leads them to take this attitude. But it is not easy to overlook the fact that the Bolsheviks seem to be the most powerful party in Russia. There is a very proper and natural reluctance on the part of all the Allies to engaging in a war against Russia. If they have to wage war against the Bolsheviks it will call for large military forces, and where are they to be found? The attempt to bring all the Russian factions together, and to induce them to see the need of a stable government, may succeed. There is a possibility that even the Bolsheviks will by this time see the folly of their course, and be willing to come to some reasonable agreement. But if the effort fails, the Allies will be all the stronger for having given this evidence of their sincere desire to assist Russia to re-establish herself among the nations.

Housing Schemes

Methods already worked out—How they would affect Canada
—New Zealand Methods

By J. W. MACMILLAN.

One of the plans announced by the Dominion Government for providing work during the reconstruction period is the loaning of money for housing schemes.

Canada lags behind most of the rest of the world in its appreciation of the need of governmental aid to housing. Several of the Provinces have written Town-Planning and Housing laws upon their statute books, but practically nothing in the way of physical results have come of them as yet. Only a few enthusiasts have been aware of the peremptoriness of the problem in our cities, of the special need of comfortable dwellings in a land where the winters are severe, and of the current failure of private enterprise to supply wholesome dwellings for the bulk of the population.

In most of the countries of Europe and in the Australian and New Zealand dominions practical schemes have been in operation for periods long enough to afford a body of experiment which may be of supreme value to us to-day. International housing congresses have been held in Europe since 1889. In the United States, though the emphasis has been rather upon health and building regulations, such congresses have been held yearly for some time. The methods which have been worked out may be classed in three groups, as follows:

1.—Building directly, for rental or sale.

(a) For Government's own employees—

National, as in Austria, Germany, Hungary and Roumania.

State or Provincial, as in Germany, Switzerland and Roumania.

Municipal, as in Germany, Hungary and Roumania.

(b) For working people generally, as in France, Germany, Britain, Italy, Australia and New Zealand.

11.—Making loans of public funds (including also Government guaranty of loans) to—

(a) Local authorities, as in Austria, Belgium, Denmark, Germany, Britain, Hungary, Luxemburg, Sweden and Norway.

(b) Non-commercial building associations, as in Austria, Belgium, Denmark, France, Germany, Britain, Italy, Luxemburg, Netherlands, Sweden and Norway.

(c) Employers, as in Germany, Britain and Luxemburg.

(d) Individuals, as in Germany, Britain, Australia, New Zealand and Norway.

111.—Granting exemptions from or concessions in taxes or fees or granting some other form of subsidy to building associations and others, as in Austria, Belgium, France, Germany, Italy, Hungary, Roumania, Spain, Switzerland, Australia, and New Zealand.

The scheme of the Dominion Government appears to be to leave the choice of methods to the Provinces, while it supplies the funds. The Provinces have a choice between all the methods outlined in the table above, as well as any new methods which they may invent themselves. It is not likely that the field of discovery is large, and it may be taken for granted that whatever is done in Canada will be done along the lines of one of the methods already employed somewhere in the world.

The first sort of methods, that of direct building by governmental authorities, is not likely to be followed. Of the second sort, the loaning of public funds, there are two ways which will probably commend themselves to Canadian minds. These are the first and last of the sub-classes, the loaning to local authorities and the loaning to individuals.

The garden cities of England have caught the attention of the English-speaking world. Of course they actually house but a fractional portion of the people of the island. Their chief value lies in set-

ting an example. They show that it is possible for people, and poor people at that, to live in decency and comfort at no greater cost than was required when they were overcrowded, congested, dirty and sick. They spread dissatisfaction with low standards of living.

It would be difficult, if not impossible, for any Canadian city to erect enough dwellings, suitably built and surrounded, to provide for more than a negligible part of their population. Yet one colony of this nature, on the outskirts of a city, would be worth while for the effect it would have upon the ideas and efforts of the whole body of citizens. The vacant land in any city is scattered, making it difficult to assemble in any one place a collection of houses of any new sort. Many cities, however, could lay hands on one plot of ground, perhaps a disused park or exhibition grounds, which might be made the theatre of a demonstration of what kind of houses were attainable for the working-classes of the city.

It is necessary to furnish an example before general approval of any new scheme which costs public money can be secured. It was so with the introduction of asphalt pavements. When they began to be built in Canadian cities and towns there was much opposition to them. All the conservative and careful classes were against them. The radicals and spenders succeeded at first in being allowed to construct a few yards in some place where it was particularly needed, and where the opposition was particularly weak. The result has been that within a few years the asphalt has spread throughout the city or town. Those who opposed it most vigorously have become impatient to have it laid before their own doors.

We need the same sort of actual demonstration in respect of houses. If such an arcadian village as Port Sunlight were in existence within any of our larger cities every new house in the place would show some traces of its influence.

As a means, however, of supplying the working-people of Canada with homes at once warm, handsome, sufficient in size, with modern conveniences, and at a low price, the best plan is probably that of loaning funds to individuals. What the rural credit schemes are doing for the farmers the housing scheme might do for the city dwellers, and after the same fashion. It is desirable to foster individual ownership of homes. Many are in possession of homes now which by the wise expenditure of a little money or by the conversion of the mortgage into a loan at a cheaper rate would become much more satisfactory residences.

DOUBLE TAXATION OF AMERICAN BRANCHES IN CANADA FEARED.

If the draft revenue bill now before the United States Senate is passed it is feared that Canadian branches of American companies will suffer double taxation. The Canadian Reconstruction Association has received advices that under the new legislation the United States may be able to impose income and business taxes upon companies operating in the Dominion and incorporated under Canadian laws, the stocks of which are held in the United States.

In protest against such an impediment being placed on the expansion of American companies in Canada Sir John Willison, president of the Canadian Reconstruction Association, has telegraphed to Senator Simmon and Congressman Claude Kitchin and to Dr. Adamson the taxation advisor of the administration as follows:

"Such companies are subject to Canadian taxation and if your act is passed in its present form the result might be double taxation of Cana-

A survey of housing conditions in Winnipeg was made within the last few weeks by the city council. It explained how it was possible that rents could be unremunerative to landlords in many cases, how a number of houses could be empty, how other houses could be overcrowded, and how, at the same time, there could be a sharp demand for houses. Of the empty houses in the city a considerable number were found to be impossible of habitation. A number were found to be habitable if put into proper repair. A number were found to be ill-situated, and not suited to the needs of the class of people living in the district. The type of house which the worker on small wages requires—one of four or five rooms, warm and containing sanitary appliances, and near to the factories—was in demand.

In New Zealand there are two housing schemes in operation. One of these is for the construction of houses for workers by the State for rental or purchase. In the year 1913 one hundred and twenty-six houses were built in this way. Far more popular and successful has been the other scheme, for making loans to workers to aid them in building or purchasing homes. As this is the plan which seems to me the most suitable and promising for use in Canada I shall set forth the chief provisions of the law.

The loans are limited to workers, either manual or clerical, whose income is less than £200 per year, and who are not the owners of any other land than the plot upon which they propose to build. The sum advanced may not be more than £450, and must not exceed the value of the dwelling to be erected. The security is a mortgage on the whole property.

The interest is payable half-yearly, with an instalment of the principal, so that the loan is repaid in 36½ years. The fees are made very low, and are paid by the borrower. The applicant must reside in the house built by the loan. Interest is at the rate of five per cent., reduced to four and a half if paid promptly. Inspection of the dwelling is provided for.

By this method about nine thousand workers built or bought their own homes in the seven years' operation of the act ending with December, 1913. During the year 1913 there were over thirteen hundred houses thus built or acquired, and the amount loaned was over two million dollars.

The housing problem is much more important than most people imagine. It is not simply a question of comfort which is involved but one of life and death. In Chile, for instance, where very high rates prevail for both birth and death, so that the population is practically stationary, it is argued that the reason why the death-rate is over 33 per thousand is the insanitary conditions of the houses. In the municipal dwellings erected by the London County Council the death-rate is 8.5, while it is 15 for the whole county. Any one that will take the trouble to compare the death-rates of any central and suburban ward in any Canadian city will convince himself that the same fell influences are at work among ourselves, and that the housing problem is in Canada, as elsewhere, a matter of life and death.

dian branches. This would involve great hardship, and it would place an increased substantial difficulty in the way of the interchange of business between Canada and the United States, particularly if the Dominion Government should follow your lead. We believe that as companies incorporated under Canadian laws, protected by the Canadian Government, deriving profits from Canadian trade and subject to provincial and municipal, as well as federal, taxation in Canada, and as the profits from foreign business secured by such companies may be due in part to the assistance of the Canadian Government and credits provided by the Canadian Treasury, taxation by the United States Government would be unfair.

"We respectfully urge that businesses should be taxed only once and that in the country where the business is carried on. This would not prevent taxation in the United States or Canada of parent companies in respect of any profits or income derived from foreign branches when such profits or income are brought into the country where the parent company operates."

Reconstruction in Britain

Sir Richard Vassar-Smith's inaugural Address at the British Institute of Bankers, as reported by Lloyds bank's monthly report

I am glad that, on this the second occasion of my addressing you from this Chair we meet under happier conditions than last year. The end of the terrible nightmare which has oppressed the world for the past four years may be not yet, but we know that, unless we slacken our efforts, it cannot long be delayed. Above all, we know that the results will be decisive, and that we shall attain those just aims for which we have made such a heavy sacrifice.

RECONSTRUCTION AFTER THE WAR.

You were good enough last year to forgive me to some extent from the custom of speaking only upon questions of finance, and calling your attention to some matters relating to industry and commerce, as I considered that finance was intimately bound up with them. I am glad to know that this opinion has been generally accepted, and much has been said or written in support of it recently in a very able address given by Mr. Steele, a Fellow of this Institute, at Sheffield, in which he describes the measures taken by bankers with a view to facilitate the extension of British Trade after the war.

STATE CONTROL.

Nothing has been more marked during the war, both in this country and in those of the other belligerents, than the continuous growth of State interference and State control of trade and industry. That there should have been such interference and control we have all to admit was unavoidable. Whether it has been exercised so as to occasion the least amount of obstruction and delay is a question upon which I do not propose to enter. There have undoubtedly been occasions when State interference in trade has been called for and its effects beneficial, but I think it is generally agreed that such interference has, on the whole, been accepted as a necessary evil. We have had abundant evidence of the weak points of such a system of control. We have to deal with a multitude of new Departments and Committees, either entirely unrelated to each other or with no clearly-defined connection, and many of them with over-lapping functions. Merely to find the right Department which is able and willing to deal with any particular question that may arise is a task often requiring infinite patience and involving much loss of valuable time. There is a great need of some co-ordinating authority which shall bring order into the chaos and save the public the intolerable delays and obstructions which constitute so serious an obstacle to business.

No doubt much of the weakness which has been displayed by our new bureaucracy is the inevitable accompaniment of all extemporised effort, but even so we are driven to the conclusion that much of it is inherent in the system. All business men, therefore, will have read with relief the announcement recently made by the President of the Board of Trade at Saddlers' Hall that there will be no attempt to maintain Government control of industry and trade after the war, except in so far as such control may be necessary the transition from a war to a peace basis.

We must expect from some form of Government control over industry will be continued for a time. But I think we shall all have thoroughly learned the lesson that, although Government interference may in some directions be necessary for the protection of the community, it is inevitably a drag and a hindrance to industrial efficiency, and our aim should be to keep it within the narrowest bounds.

Perhaps I may be allowed to repeat here the view I expressed to the Federation of British Industries at their annual meeting last week—that the ideal should be State assistance and not State interference—and that this principle should be established at the earliest possible moment. I also recognised the supreme importance of British industry to the country and the consequent responsibility of manufacturers to the community. Manufacturers de-

mand, and must receive as their right, a greater measure of trust from the Government. They must be allowed to assist the State with their advice upon all industrial matters, and cannot submit to dictation upon questions affecting the development and conditions of the trade to which they have devoted their whole thoughts and energies. At the same time, the interests of industry are the interests of the community; manufacturers should aim at producing quality no less than quantity they should aim at low prices and high wages, and efficiency in production and distribution.

I have already expressed to you my opinion upon the relations which should exist between the employer and the employed. I have no reason to alter this view, and I think that, although slowly, progress is being made in the direction of a better understanding upon these vital questions. There is, too, one other important subject to be considered—that of Education—upon which there has been much unfortunate misunderstanding. It has been alleged that manufacturers cared for nothing but cheap labour, and therefore oppose Mr. Fisher's suggestions. This criticism is entirely wrong. Manufacturers would welcome a sound and liberal system of National Education, attention being paid to technical and commercial training as well as to general culture.

FINANCIAL REQUIREMENTS AFTER THE WAR—BANK AMALGAMATIONS.

Since I last addressed you in this hall, the outstanding feature in banking development has undoubtedly been the spurt in the process of bank amalgamations. It is a subject which I can hardly pass by without notice, though I must own that I speak of it with reluctance. One reason is that I have already referred to it at considerable length before other audiences, another is that a Treasury Committee has already reported upon the subject. Moreover, I have myself taken such a part in the movement that I can hardly be considered an impartial critic. Suffice it to say that I think I can speak for many of my fellow bankers when I state that we are willing to submit to the only real test in such matters and to take our stand upon the value of the services which we hope to render to our customers and the public. Trade and industry have long ceased to be merely local in this country, and those banks which have aspired to offer their customers the advantages of direct representation over the widest possible area, have been compelled to carry the process to its logical conclusion and to extend their branches over the whole kingdom.

As to the danger of a money trust, I personally am unable to take the suggestion seriously. There is the strongest safeguard against any such eventuality in the fact that our large banks are all working in the glare of full publicity. Tyrannical action on the fact of any or all of the big banks would bring a sure and swift nemesis in its train. The cry of monopoly is one which might be advanced against all trading on a large scale, and yet the tendency to combined effort in almost every branch of trade and industry is, in my opinion, irresistible.

THE USE AND ABUSE OF CREDIT.

Attention is becoming more and more riveted upon the question of the provision of credit facilities for carrying on the trade and industry of the country when we are once more at peace. It is a subject upon which there has been, and is, a great deal of loose thinking. There is a marked tendency in some quarters to cut adrift from what have hitherto been regarded as fundamental principles, and to embark on experiments which can only be regarded as reckless in the extreme. Many are deceived by the apparent paradox that during the course of this bitter struggle, when every effort has been concentrated upon the provision of the means to victory, the country should have exhibited to a marked degree those signs which we have always

associated with periods of business prosperity. Although there has been a growing scarcity of food and materials, and a rise in prices which has of late become specially marked, there has been plenty of money in the country; labour has been well paid, and there has been no unemployment. If we can find all the money needed to carry on this war and yet have plenty to spend, why, it is said, cannot we do it after the war? Of course the simplest answer to such criticism is to point out that all the apparent prosperity with which we are surrounded is simulated prosperity, not real. It cannot last. We are living on our capital, helped out by borrowings from America. But this simple explanation is not enough. At the back of many people's minds there is a genuine feeling that, seeing that we have been able to provide these enormous sums for carrying on the war, sums which five years ago would have seemed beyond the range of possibility, there should be no difficulty in doing the same to meet the demands of trade and industry after the war. To meet the necessity for providing the sinews of war, say these people, this nation and all other belligerent nations have created credit on a huge scale. The prophecies, of which we heard so much before the war, that public credit would crumple up in the face of universal war, have proved utterly fallacious. We must revise all our preconceived ideas of credit, and build for the future on the experience gained during the war. If the gold standard is an obstacle in the way of an expansion of credit, this experience has shown that we can do very well without the gold standard.

Reasoning of this character has, as you know, led to all sorts of extravagant propositions. We are told that we can pay the whole cost of the war, and incidentally establish an earthly paradise by turning the war debts into money and printing off currency to equal the amounts of these debts.

Now far be it from me to belittle the necessity for learning from the experiences of the past few years. We have gained many valuable lessons—we are looking at the future from a new standpoint. But we cannot reject previous experiences as useless, and must recognize the value of moderation in all attempts to reconstruction. Looking at this vast creation of credit which has marked the war finance of all countries, we are driven to recognize that we are paying, and shall continue to pay, a heavy price for it. Inflated credit has been followed by high prices, producing popular discontent expressing itself in complaints of "profiteering." This has led to agitation for higher wages, which in turn leads to still higher prices, and we find ourselves in a vicious circle from which egress is difficult. To attempt to remedy this condition of affairs by the further creation of credit is obviously useless. I do not say that we shall be able to reverse the process of inflation directly after the war. We have got to face the fact that the most urgent problem will be to find employment for the men and women who have been in the Army or providing munitions, and to get our industries on to a peace basis once more, and for this purpose credit must be liberally provided. But we must never lose sight of the fact that at the earliest possible moment we must put ourselves in the position to produce goods which we can market abroad at a price which will compete successfully with those of other industrial nations.

We must have a plentiful supply of raw materials, efficient labour, intelligent management, and, as I said last year, hearty good will all round. But the mere multiplication of credit will give us none of this. Let us accept for a moment the generally accepted definition of capital as accumulated savings and credit as the right to the use of this capital. Credit is, as it were, the title deeds to the accumulated wealth of the world. By multiplying and duplicating the title deeds you do not increase the amount of this wealth—you merely reduce the value of the title deeds. It is true that the extension of the opportunities to share in the use of capital may possibly result in its finding its way into the hands of those who are better qualified to use it; but this is a chance upon which it would

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Conditions in the West

By E. CORA HIND.

The West is still very much agitated over the various embargoes preventing the export of beef, bacon and flour overseas. The latest news to reach Winnipeg was that the hog meeting at Chicago had been postponed from the 23rd to the 28th, the explanation given being that the British government was holding a meeting on the 23rd at which Mr. Hoover would be present, and that the allotment had not come in to warrant the fixing of the price of February hogs. The same report said that the British government had reduced the price, it was willing to pay twopence a pound. The Dominion livestock commissioner, H. S. Arkell, was unable to attend the meeting last week of the Western Canada Livestock Union at Brandon owing to the acute situation with regard to bacon.

Everyone is asking the meaning of the situation and no one seems to be able to give an accurate and authoritative answer. In the meantime, the liquidation of hogs and cattle has been very heavy. On the whole, beef animals have suffered little depreciation

up to the present time. There was a considerable break in the price in the early part of last week, but this was due more to the lack of quality in the animals offered, as immediately the better class of stuff was received the price became higher, and while sales as high as \$14.00 for good steers were limited, steers from \$13.00 to \$13.50 were quite liberal. The top of the market for hogs during the week was \$15.75, which showed a slight reaction to higher levels from the previous week.

In the matter of carrying livestock over the winter, the extremely mild weather which has prevailed up to the present time, with the exception of three days at the turn of the year, has enormously helped out the feed situation, but numerous complaints are coming in of the wretched poor quality of the bran and shorts available for feed, and inasmuch as the millers are clamoring for higher prices for these feeds there will have to be an improvement in the quality or there will be an insurrection among livestock men. It is probable that if the power to manu-

facture white flour is restored to the millers, it may automatically lead to a better class of bran and shorts, but there is no doubt that the mills have been simply grinding the bran fine for shorts, with the result that the young stock fed on it, particularly hogs, are having indigestion and are not fattening as they should do. Protests about this condition of feed to the Food Control Board have so far brought absolutely no results.

Farmers are complaining very much of the barley situation. They were strongly urged by the government last spring to reseed their wheat areas to barley and there was in many parts of the West, and particularly in Manitoba, a very heavy barley crop, and which cost enormously to produce, and for which the farmers are now finding it almost impossible to secure a market. Barley has been on a carrying charge basis practically since the close of navigation. The whole market for coarse grains is spasmodic and limited. During the past fourteen days prices for coarse grains for May delivery have receded as follows: 5¼ cents for oats; 16¼ cents for barley; and 28½ cents for flax. As so frequently happens with a decline, market offerings have materially increased.

FIXED PRICES.

There is evidently very considerable divergence of opinion on the subject of a fixed price for the wheat crop of 1919. As previously reported, the Manitoba Grain Growers' Association after considerable discussion unanimously passed a resolution against the fixing of the price, on the ground that as they were asking for free markets to purchase their supplies in, they were willing to take their chance of a free market in which to sell their products. The legislature of Saskatchewan, however, a few days later requested that the price be fixed. There is no doubt that this matter will come up before the United Farmers' of Alberta, this present week, though what action they will take it is not yet possible to forecast. There is a very much stronger element of extreme socialism in this organization than there is in the Grain Growers' of Manitoba.

CROWN RESERVE MINING CO.

The annual meeting of the company was held on the 22nd of the month and results of new development work carried out on the eastern portion of the company's property were described as "promising" and "encouraging." The president, Sir John Carson, in reply to enquiries as to the likelihood of dividends being payed again stated that they would be started at the earliest possible time results warranted such action. The directors' report presented at the meeting says in part:

"Several new veins have been cut and we are drifting east and west on the most promising one. Some 150 feet of drifting has been done to date; the vein runs from two to five inches in width, with average values of over 2,500 ozs. to the ton; stoping has been started and already we have bagged some seven tons of high grade ore and also secured a large quantity of good milling rock. The outlook in this new section is most promising and our older workings continue to give us some high grade and a large quantity of milling rock."

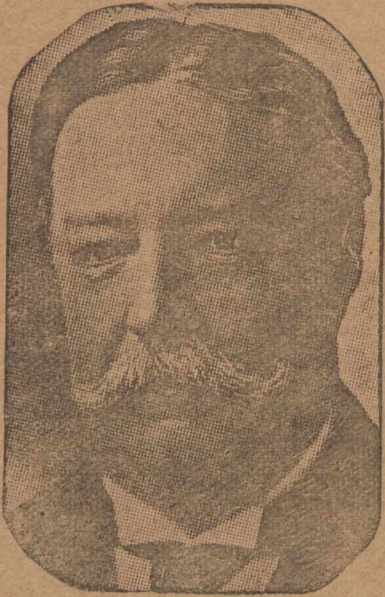
Another feature of the year's reports was the announcement that the directors had decided to draw on surplus to the extent of \$255,540 to provide chiefly for writing down of assets to a rock bottom basis. The sum of \$174,338 was appropriated in this connection for the writing down of investments in outside properties and \$62,881 for prospecting and exploration. In explaining reasons for this action, the president stated that the company was not carrying in its statement a dollar of assets which the board did not believe to be actually in existence. If the writing down had been too drastic, the company would benefit by an extra profit later on.

WEEK'S RECORD OF ACTIVE MONTREAL STOCKS.

Sales.		Open.	High.	Low.	Last. sale	Net ch'ge.	—Year—	
							High.	Low.
1,793	Ames-Holden	28	29	28	29	+ ½	29	26
1,190	Do., pfd.	75	76¼	75	75½	+1½	76¼	66
181	Atlantic Sugar, pfd.	69	70	69	69¾	.....	70	69
410	Asbestos, pfd.	62	62½	62	62½	unch.	*62½	*61¾
366	Brazilian	53¼	53¼	51¾	52	-1½	54¾	51¾
485	Brompton	60	60¾	58½	60¾	+ ¾	61	58½
450	Can. Car	29	30	29	29	-1	31½	28
165	Do., pfd.	82¾	82¾	82	82	-2	85¾	82
462	Can. Cement	65½	65½	64½	65	-1	66	64½
124	Do., pfd.	96½	96½	96½	96½	+1½	96½	96½
104	Can. Converters	46	47	46	47	+1	47	46
454	Can. Steamship	45¼	45¼	44½	44½	- ½	45¾	42¼
319	Do., pfd.	79	79	79	79	unch.	79	78½
2,172	Con. Smelting	25¼	26¼	25	25¾	unch.	27½	25
8,300	Crown Reserve	48	48	40	48	+3	55	45
113	Dom. Iron, pfd.	94	94	93½	93½	unch.	94	93½
2,040	Dom. Steel	61¾	61¾	60	60¾	-1¼	62½	60
224	Dom. Textile	102	102	101½	101½	- ¼	104	100½
810	Laurentide	194	194	192	192	-3	198	192
185	Macdonald	23	23	22½	22½	- ½	23	21½
230	Maple Leaf	133¼	133¼	128	128	-6¼	137½	128
430	Montreal Power	86	86	85½	86	unch.	88¼	85½
103	Quebec Ry.	18	19	18	19	+1	19	18
289	Shawinigan	116	116	115	115½	- ½	116½	114¼
135	Spanish River	17	17	17	17	-1	18½	17
280	Do., pfd.	64	64½	64	64½	+ ½	65½	65
382	Steel of Canada	*62½	*62½	*59½	*60¾	-2½	65½	*59½
215	Wayagamack	51	52	51	51½	- ¾	55	51
— BANKS —								
94	Merchants	*190	*190	*190	*190	unch.	*190	181
282	Montreal	216¼	216½	216¼	216¼	unch.	216½	215
50	Nova Scotia	258	258	258	258	+1	258	255
82	Royal	213	213	212	212	-2	214	212
— BONDS —								
\$12,000	Can. Loco	91¾	91½	91¾	91½	+ ¾	91½	90¾
20,400	Can. Loan (1925)	96¾	96¾	96¾	96¾	+ ¼	96¾	96
25,300	Do. (1931)	96¾	97	96¾	97	+ ½	97	96
102,000	Do. (1937)	97	98¼	97	98	+ ½	91¼	96½
189,800	Victory (1922)	99¾	100¼	99¾	100	+ ¾	100¼	98
192,250	Do. (1923)	100	100½	99¾	100¼	.....	100½	99¾
135,900	Do. (1927)	101	101½	101	101½	+ ¾	101¼	100
1,248,750	Do. (1933)	101¾	102	101¼	101½	.....	102	101¼
128,400	Do. (1937)	102¾	103¾	102¾	103¼	+ ¼	103¾	102
11,000	Dom. Iron	88½	88½	88½	88½	+ ¾	88½	87
40,300	Montreal (May, 1923)	101	101	101	101	.....	101	101
20,700	Wayagamack	84	85	84	85	+2¼	85	81
— UNLISTED SHARES. —								
260	Laurentide Power	61	61	59	59	-2	62	59
555	N. A. Pulp	3	3¼	3	3¼	+ ¾	3¼	2½

*—Ex-dividend.

Mentioned in Despatches



WILLIAM HOWARD, TAFT, ex-President of the United States, who visited Canada last week, lecturing before the Empire Club, at Toronto, and other places.

HON. OCTAVIUS H. LAMBERT, a son of the eighth Earl of Cavan, and uncle of the present holder of the title, died in Ottawa on Saturday, in his 65th year. He came to Canada with his father in the seventies and settled in Ottawa. He married a daughter of the late Hiram E. Howard, of Buffalo, N.Y., who survives him.

THE HONORABLE GEO. BRYSON, President of the Bank of Ottawa, which has been taken over by the Bank of Nova Scotia is a well known figure in the lumbering industry. He was born at Fort Coulogne in 1852, educated at Toronto and then entered the lumber business. He is a member of the Legislative Council of the Province of Quebec.

MEDERIC MARTIN who has been mayor of Montreal for three terms and claims that he is going to make it a life job, has secured another prominent post. He is now the Honorable Mederic Martin, having been made a member of the Legislative Council of this province. The Honorable Mederic Martin is a native of this city and as a young man worked as cigar maker, and still boasts of his union card in the Cigar Makers' Union.

CAPTAIN "BOB" PEARSON, member of the Alberta Legislature, who passed through here on his way home a few days ago gave some further facts regarding the last days of Nurse Edith Cavell, is a Methodist minister. He was well known as a football player at the University of Toronto, then studied for the ministry and went West. At the outbreak of the war he joined as a combatant and was elected by the soldiers' vote as a member of the Alberta Legislature.

CHARLES R. BROWN, financial and news editor of the New York Journal of Commerce and Commercial Bulletin, died recently at his home in Tenafly, N.J.

Born 55 years ago in Warrington, England, Mr. Brown came to the United States in 1871. In 1885 he joined the staff of the New York Commercial Bulletin, later the Journal of Commerce and Commercial Bulletin. For the last 30 years he has been the New York correspondent of the London Financial News, and lately became a financial writer for the Commercial and Financial Chronicle, of New York.

D. M. FINNIE, General Manager of the Bank of Ottawa comes from the land of bankers, having been born in Scotland in 1849. After banking experience in the Old Country he came to Canada and was associated with the Bank of British North America, later he joined the Bank of Ottawa and worked his way up to the General Managership.

H. A. RICHARDSON, General Manager of the Bank of Nova Scotia has occupied that post for the past ten years. He is a careful conservative banker, being regarded as one of the ablest banking men in the Dominion. Although the head office of the Bank of Nova Scotia is nominally listed as Halifax, Mr. Richardson makes his headquarters in Toronto.

FREDERICK A. DUNEKA, vice-president and general manager of Harper and Brothers, publishers, of New York, died at his home in Summit, N.J., on Friday last. Before joining Harper and Brothers nearly twenty years ago, he was city editor of the New York World. The manuscripts of many noted literary men and women, including those of Mark Twain, passed through his hands.

CHARLES ARCHIBALD, president of the Bank of Nova Scotia was elected to that post a year ago, but had been Vice-President and Director for a great many years. He is President of the Camaquay Electric Traction Co., a director of the Demerara Electric Tramway Co., and of the Trinidad Electric Co., and also identified with a number of Maritime Province institutions. He was born in North Sydney in 1845.

Reconstruction in Britain

(Concluded from page 4).

not be wise to build. We must direct our efforts to that end. Instead of blindly multiplying credit, with the result that prices rise, speculation becomes rampant, and "profiteering" is encouraged, to be followed by an inevitable reaction, our object should be to direct the use of capital into those channels in which it can best be used to the national advantage. It is for this reason that I personally would deprecate the provision of credit facilities by the State. A Government Department is not a body which is fitted for lending money. It would not have, and, without long apprenticeship, could not acquire the necessary experience. To give every holder of War Loan or War Bonds the opportunity of obtaining credit from a Government Department would be to encourage speculation and further inflation. The provision of credit should be left to the banks, who are in the position to judge of the requirements of their customers, and who are fitted by long training to sift the applications with which they will have to deal."

Since these words were written, the Interim Report of the Committee on Currency and Foreign Exchanges after the War has been published. This Committee consisted, as you know, of a number of our leading bankers and merchants with the Cambridge Professor of Political Economy and the Secretary to the Treasury, sitting under the Chairmanship of Lord Cunliffe, and its report is unanimous. It is, therefore, a document which cannot but carry great weight, and I think there are few bankers who will not whole-heartedly agree with its main theses.

"If a sound monetary position is to be re-established," says this report, "and the gold standard to be effectively maintained, it is in our judgment essential that Government borrowings should cease at the earliest possible moment after the war. A large part of the credit expansion arises, as we have shown, from the fact that the expenditure of the Government during the war has exceeded the amounts which they have been able to raise by taxation or by loans from the actual savings of the people. They have been obliged, therefore, to obtain money through the creation of credits by the Bank of England and by the Joint Stock Banks, with the result that the growth of purchasing power has exceeded that of purchasable goods and services. As we have already shown, the continuous issue of uncovered currency notes is inevitable in such circumstances. This credit expansion (which is necessarily accompanied by an ever-growing foreign indebtedness), cannot continue after the war without seriously threatening our gold reserves and, indeed, our national solvency.

"A primary condition of the restoration of a sound credit position is the repayment of a large portion of the enormous amount of Government securities now held by the banks. It is essential that as soon as possible the State should not only live within

its income, but should begin to reduce its indebtedness. We accordingly recommend that at the earliest possible moment an adequate sinking fund should be provided out of revenue, so that there may be a regular annual reduction of capital liabilities, more especially those which constitute the floating debt. We should remark that it is of the utmost importance that such repayment of debt should not be offset by fresh borrowings for capital expenditure. We are aware that immediately after the war there will be strong pressure for capital expenditure by the State in many forms for reconstruction purposes. But it is essential to the restoration of an effective gold standard that the money for such expenditure should not be provided by the creation of new credit, and that in so far as such expenditure is undertaken at all, it should be undertaken with great caution. The necessity of providing for our indispensable supplies of food and raw materials from abroad and for arrears of repairs to manufacturing plant and the transport system at home will limit the savings available for new capital expenditure for a considerable period. This caution is particularly applicable to far-reaching programmes of housing and other development schemes.

"The shortage of real capital must be made good by genuine savings. It cannot be met by the creation of fresh purchasing power in the form of bank advances to the Government or to manufacturers under Government guarantee or otherwise, and any resort to such expedients can only aggravate the evil and retard, possibly for generations, the recovery of the country from the losses sustained during the war."

I commend these words to your earnest consideration. There is no royal road back to prosperity. As a nation we have perforce been living the life of the spendthrift during the past four years and more. To get back the old prosperity we must produce more and save more. Work and thrift must be our watchword.

And we must not be content with aspiring to get back to the position as it was before the war. We must start with new aspirations and fresh hopes. Let me quote from the recent report of the Master of Balliol's Committee on Industrial and Social Conditions in relation to Adult Education: "No one can doubt that we are at a turning point in our national history. A new era has come upon us. We cannot stand still. We cannot return to the old ways, the old abuses, the old stupidities. As with our international relations, so with the relations of classes and individuals inside our own nation, if they do not henceforth get better they must get worse, and that means moving towards an abyss. It is in our power to make the new era one of such progress as to repay us even for the immeasurable cost, the price in lives lost, in manhood crippled, and in homes desolated."

Printers' Pie

A Page of Press Opinion, Wit and Humor

ONE WAY.

(Quebec Telegraph.)

A correspondent to an American paper suggests that free transportation to Archangel be given to all Americans who profess to be Bolsheviki. This might be tried in Canada. We don't believe many of those who cheer for Trotsky at a distance would care to emigrate to his "commune."

IRISH BOLSHEVISM.

(New York Herald.)

Do the Sinn Feiners really think that they are going to intimidate Britain into complete compliance with their demands, or obtain sympathy and support on this side of the Atlantic in the future as they have in the past? If so they will find themselves sorely mistaken, and the measure of political independence which most reasonable people wish to see bestowed on Ireland will be additionally delayed.

AFTER WAR'S FITFUL FEVER.

(London Daily Express.)

When the war is over Marshal Foch will retire to a little white painted chateau he bought some years ago at Ploujean, a Breton village in the far-away primitive district of Finistere. Seventy-five of the Ploujean villagers have been killed during the war. A list of their names hangs in the village church. The first two are Paul Becourt and Germain Foch (the marshal's son-in-law and son). They both died on August 22, 1914.

PANAMA CANAL.

(Halifax Chronicle.)

The Panama Canal has already been used for the passage of troops from Australia and New Zealand bound to the battlefield in France, many of whom we have had the pleasure of welcoming in Halifax en route. But who dreamed when the "big ditch" between the Atlantic and the Pacific was constructed that one day there would pass through it soldiers of Canada returning from a battlefield of Europe? It was a great undertaking, and it is serving a great world purpose. It has been an important factor, too, in Allied war effort.

EXPENDITURE IN FRANCE.

(A. H., in San Francisco Argonaut.)

The truth of history requires me to say that immeasurably as she has suffered in the war, France has found in connection with it certain compensations. The armies of half-a-dozen nations are and have for several years been camped upon her soil, and whoever has any acquaintance with armies knows that they are prodigious spenders of money. The two or three millions of Englishmen who have been in France the better part of four years have literally poured a stream of gold into the strong boxes and stockings of France. Everything that could be produced from soil or workshop has found an eager market—food for men, forage for animals, general supplies, wages for every kind of work. Millions of money have thus been expended in France, and much of it salted down. Banks of savings were never so richly or universally stocked, and even the commercial banks have increased their capital. The hoardings of the peasant folk aggregate enormous totals — and well they may with eggs at a franc apiece and other comestibles and accommodations in proportion. More recently the Americans have come with full purses and spendthrift habits. I was told that the monthly disbursements of the American army in France at the time of our visit—September and October—was at the rate of two hundred million dollars per month.

TRUE TO CHARACTER.

(Quebec Telegraph.)

One of the last public utterances of Teddy Roosevelt was to repudiate the idea of the United States embarking on a naval competition with Great Britain. That is a characteristic end.

CANADA MIGHT EMULATE.

(Financial Post, Toronto.)

The financial editor of The Times, London, points out that 89 per cent. of the extra taxation in Great Britain imposed on account of the war in the years 1915 to 1919, inclusive, has been derived from the "taxation of wealth."

THE WRONG SPIRIT.

(Kingston Standard.)

The Mennonites who would not fight for Canada are raising a fund for a hospital as a mark of appreciation of not being forced to do so. Canadians do not want that money. The best use for it would be to deport men who will not fight for the land which has been so good to them.

A GOOD OSLER THEORY.

(Toronto Globe.)

Sir William Osler advises young physicians to "start at once a bedside library and spend the last half-hour of the day in communion with the saints of humanity." Many who are addicted to reading in bed will be glad to have this distinguished sanction for the habit. But what do the oculists say?

OUR WAR SAVINGS STAMPS.

(Halifax Chronicle.)

On the War Savings Stamps recently issued is a splendid reproduction in miniature of Partridge's famous drawing of the Canadians at Ypres. First published in Punch, it made a decided hit, and in Canada is one of the most popular of war pictures. In 1917, when Sir Thomas White first contemplated the launching of the War Savings movement, he asked the proprietors of Punch to grant permission to reproduce the drawing on the War Savings Stamps. This was readily granted free of charge.

GREAT LIARS.

(Los Angeles Times.)

The world owes much more than might be thought to its great liars. Mean and petty liars are, of course, to be despised, but a really great liar—who is really a man of vivid imagination—usually does a lot of good. They are the fellows who have always set the wheels going, the sails spreading and the bits champing. It has always seemed strange to us that a monument has never been builded in memory of one single great liar that the world has produced.

NO CHANGE OF HEART IN GERMANY.

(Ottawa Citizen.)

Does anyone imagine that Germany signed the armistice and pretended to make a revolution because of any sincere change of heart? The fate of Rosa Luxemburg and Karl Liebknecht is the answer to such imagining. No conversion to social democracy, no Bolshevik propaganda, brought the German armistice commissioner to Treves. They went grovelling there, and their kaiser scrambled into Holland, to save their hides; and the spots on the hide of Germany are not changed thereby, any more than the leopard can change its spots. But the leopard is a pleasant looking animal, alongside of the modern Hun.

PLEASANT PROSPECT.

Husband — Hurrah! I've got a week's vacation.
Wife — How nice. Now you can dig the garden, clean out the cellar and whitewash the kitchen.

PEACE AT ANY PRICE.

Magistrate—Great Scot! officer, how did these men come to be so badly bruised and battered up?
Officer—Please, your honor, they were discussing the peace settlement.

PLAIN TALK.

Employer — What! You want a raise? Why, when I was an office boy, I had to work five years before I got one.

Office Boy — Yessir; but perhaps you was one of those fat head kinds that ain't worth a raise.

A FEARLESS BOY.

Neighbor—I hear your son has distinguished himself at the front.

Mrs. Murphy—Yis, me boy Pat always was a brave one. Th' darlin' even started a row with me wanst.

EXERCISE MADE EASY.

An officer on board a warship was drilling his men. "I want every man to lie on his back, put his legs in the air, and move them as if he were riding a bicycle," he explained. "Now commence." After a short effort one of the men stopped. "Why have you stopped, Murphy?" asked the officer. "If ye plaze, sir," was the answer, "O'im coasting."

FAMILY PRIDE.

"If Muggery," reflected Brown, "isn't the worst, conceited, self-satisfied, self—"

"Yes," interrupted Wilkins. "I've heard you say something of that sort before. What started you off this time?"

"To-day's his birthday, and he's just gone out to send a telegram of congratulation off to his mother!"

LITERATE.

Booth Tarkington tells of an old colored man who appeared as a witness before one of our committees. In the course of his examination these questions were put to the man:

"What is your name?"

"Calhoun Clay, sah."

"Can you sign your name?"

"Sah?"

"I ask if you can write your name."

"Well, no, sah. Ah nebber writes ma name. Ah dictates it, sah."

ONE AT A TIME.

Two Irishmen were on a dump barge. One day the waves ran high near shore. The tug's old towing cable parted. The barge rolled into the trough of the sea and the two Irishmen were washed overboard. One swam to the shore and after a short rest was about to start back toward the other man, who was still wrestling with the waves.

"Why, what are you going back into the water for, Pat?" inquired a bystander.

"Why, Oi had to save meself first," said Pat, "and now O'im a goin' back to save Moike."

"You must devote a great deal of thought to your speeches." "I do," replied Senator Sorghum, as quoted in the Washington Star. "Some of those to which I give least thought before they are delivered make me think hardest afterward."

A wealthy English gentleman on reaching home detected a strange and disagreeable odor pervading the place. He asked the footman whence it came. "Well, you see, sir," said Jeames, "to-day's a saint's day, and the butler, 'e's 'igh church, and is burning hincense, and the cook, she's low church, and is burning brown paper to hobviate the hincense, sir."

AMONG THE COMPANIES

WAYAGAMACK PULP AND PAPER CO., LIMITED.

A new high record for the company was established in the year ended November 30th last when net earnings, after the war tax was provided for, amounted to \$1,057,742 as against \$966,349 the year before.

Comparisons of profit and loss figures for three years follow:

	1918.	1917.	1916.
Earnings.. . . .	\$1,057,742	\$966,349	\$979,362
Depreciation.. . . .	160,000	160,000	154,638
Balance	\$897,742	\$806,349	\$824,724
Bont interest	208,980	210,000	210,000
Balance	\$688,762	\$596,349	\$614,724
Written off	144,726	82,383	10,000
Surplus	\$544,036	\$513,965	\$604,724
Previous surplus	864,023	*350,058	632,550
Surplus	\$1,408,060	\$864,023	\$1,237,274
Reserves, etc.	500,000	.....	540,000
Surplus	\$908,060	.....	\$697,274

* After adjustments.

The balance sheet shows some radical changes for the better. Current liabilities were reduced about \$520,000, while current assets were increased about \$278,000. Net working capital rose to \$1,230,650 against \$432,752 a year before. Bank loans, which have overhung the company's position for several years, have been finally liquidated. Cash on hand was increased from \$12,499 to \$499,414.

Comparisons of the working capital position at the end of each of the past three years follow:

	1918.	1917.	1916.
Assets	\$1,979,274	\$1,701,571	\$939,563
Liabilities	748,624	1,268,819	639,102
W'k cap... .. .	\$1,230,650	\$432,752	\$300,461

The president's report says in substance:

"Your directors found it necessary during the past year to spend a considerable sum in repairs and a general overhaul of your plant to put it in a thorough state of efficiency. This work has now been completed and a reduction in costs is already realized.

"In view of the cessation of hostilities, the shipping facilities should be greatly improved, thereby increasing the company's opportunities for developing its export trade."

Comparisons of balance sheets of the past two years are given in the following table:

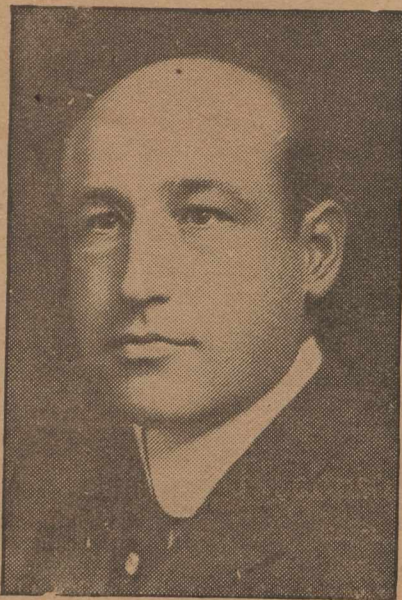
ASSETS.

	1918.	1917.
Cash	\$499,414	\$12,499
Accs. rec.	396,499	350,659
Inventories	1,173,710	1,325,133
Bonds	9,651	13,278
Plant, etc.	3,127,730	3,075,177
Limits	6,038,244	6,204,138
Bond discount	331,074	346,595
Total	\$11,476,323	\$11,327,482

LIABILITIES.

	1918.	1917.
Accs. pay.	\$678,333	\$596,120
Bills pay. . . . .	.....	312,840
Loans .. . . .	.....	281,682
Accr. int.	70,291	78,175
Bonds	3,395,000	3,430,000
Cap. stock	5,000,000	5,000,000
Res. deprec.	924,638	764,638
Res. gen.	500,000	.....
Surplus	\$908,060	\$864,023
Total	\$11,476,323	\$11,327,482

In a footnote there is listed a contingent liability of \$244,500 for paper lost on S.S. "M. P. Connolly," which is stated to be fully covered by insurance.



H. C. COX,

President of the Imperial Guarantee and Accident Insurance Company of Canada, whose Annual Report has Lately been Issued.

PARIS BRANCH FOR BANK OF MONTREAL.

It is announced that the Bank of Montreal is arranging for a site on which to open a branch in Paris, France.

RAILWAY EARNINGS.

Traffic earnings of the three principal Canadian railroad systems for the third week in January aggregated \$5,431,317, an increase of \$1,506,890, or 38.4 per cent, over the corresponding week a year ago. This compares with an increase of 30.9 per cent. for the previous week. The increase of the Grand Trunk was the largest for the week, being 66.4 per cent.

Following are the earnings for the past week, with the increases from a year ago:

	1918.	Increase.	P.C.
C. P. R.	\$2,949,000	\$625,000	26.9
G. T. R.	940,925	375,421	66.4
C. N. R.	1,541,392	506,469	48.9
Totals	\$5,431,317	\$1,506,890	38.4

THE GUARANTEE CO. OF NORTH AMERICA.

The annual meeting of shareholders of the Guarantee Co. of North America was held on Thursday last, and the financial statement for the past year was submitted. An increase of \$77,509 in surplus was reported after providing for all outstanding liabilities, and after payment of the usual dividend of 10 per cent. and bonus of 2 per cent. This compares with an addition of \$51,231 to surplus in the preceding year. The total now stands at \$1,613,372.

The following directors were elected for the ensuing year: Henry E. Rawlings, Sir Vincent Meredith, Bart., E. F. Holden, Wm. McMaster, John Macdonald, Toronto; James B. Forgan, Chicago; Hon. E. C. Smith, St. Albans, Vt.; Philip Stockton, Boston; Thomas DeWit Cuyler, Philadelphia; Sir Augustus Nanton, Winnipeg, and Frank Scott, Montreal.

At a subsequent meeting of the board, Henry E. Rawlings was elected president and managing director, and Wm. McMaster, vice-president. Richard B. Scott was re-appointed secretary and treasurer; William S. Chadwick and Walter T. Rawlings, assistant secretaries.

BRAZILIAN TRACTION EARNINGS.

The company's net earnings continue higher than a year ago in spite of the contraction in gross earnings and the adverse influence of the influenza epidemic. The outstanding feature is that the company appears to have solved the problems growing out of the higher operating costs of a year ago, and conditions should continue to work in the company's favor in that respect.

The influenza epidemic was at its height in Rio in November, and the effect on the company's receipts are plainly evident in the following comparisons of monthly returns (in milieries) this year:

1918.	Gross.	Net.	Net increase.
January.. . . .	7,837,000	3,696,000	*306,000
February	7,315,000	3,565,000	*320,000
March	8,094,000	3,925,000	*226,000
April	8,330,000	4,053,000	38,000
May	9,030,000	4,642,000	353,000
June	9,087,000	4,783,000	761,000
July	9,465,000	5,063,000	1,214,000
August	9,491,000	5,210,000	1,193,000
September.. . . .	9,081,000	4,865,000	965,000
October	8,052,000	4,301,000	585,000
November	7,581,000	3,723,000	231,000

* Decrease.

BANK OF NOVA SCOTIA.

At the eighty-seventh annual meeting of the shareholders of the Bank of Nova Scotia, held on the morning of January 22, 1918, at Halifax, assurances were given that the dividend of 14 per cent now payable on the capital stock of the Bank would be increased in the next declaration.

It was decided that application should be made to increase the bank's authorized capital from \$10,000,000 to \$15,000,000. The Bank of Nova Scotia now has a paid-up capital of \$6,500,000, but the proposed amalgamation with the Bank of Ottawa will absorb most of the remaining authorization and the present application will provide for any further issues that may be deemed necessary.

In the course of his remarks, General Manager H. A. Richardson said:

"We wish to state and to emphasize that merely to grow large has been and will be no part of our policy. We never have and never will, I hope, sacrifice quality to size. So far as we are able by the acquisition of desirable business connections to enlarge our operations and make the Bank of Nova Scotia a more useful factor in the development of Canada we shall do so, but our first care must be to preserve in all its strength the foundation on which we are building. In order to strongly buttress that foundation we have created a very large reserve fund. That has been done largely by issuing to shareholders from time to time shares at a very considerable premium, the premium so paid in by them going into our reserve fund.

"While this has resulted in placing us in the van of Canadian banks for strength and stability, it has not been productive of more than very moderate dividends to shareholders; for our present dividend of 14 per cent yields them on their investment only 5.42 per cent. Such high class investment as the bonds of our government yield more than that, while many gilt-edged securities yield very much more. No increase has been made in our return to shareholders since 1911. In the meantime the cost of living generally has grown and the recently imposed income tax further reduces the revenue from our shares. We therefore feel warranted in intimating that at our next dividend period the shareholders will receive an increased return on their holdings of our shares."

**NOVA SCOTIA—OTTAWA BANK
AMALGAMATION.**

The group of Ottawa citizens who do not look favorably upon the amalgamation of the Bank of Ottawa with the Bank of Nova Scotia and propose to buy the control have tackled a big proposition says the "Montreal Gazette." "The board of directors," says the Gazette, "which has committed the bank to the merger is reputed to be made up exclusively of millionaires. Their personal holdings of stock and stock in the name of members of their families would seem to be much larger than is the case with most banks, and represent 30 per cent, possibly a good deal more, of the capital. Add in the stock of personal friends who would be guided by the advice of the directors, and the difficulties of blocking the merger through changing control would seem serious. And this does not allow for a large number of shareholders not personally interested in the directors and their views, who would be inclined to reason that what the largest shareholders considered advantageous to themselves would be advantageous to the small holders.

Larger holdings as they appear in a comparatively recent list of shareholders would indicate that the Bryson family's holdings are in the neighborhood of 3,000 shares, the Maclaren's close to 4,000 shares, the Blackburn's upwards of 2,000, the Barnet's about 650, to pick out a few that indicate the strength of the board."

DIVIDEND NOTICE.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE 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 MARCH next, to Shareholders of record of 31st January 1919.

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

Montreal, 21st January, 1919.



The Dominion of Canada seeks your co-operation in the popularizing of

**WAR-SAVINGS
STAMPS**

First—W-S.S. will enable the Government to raise millions of dollars to be used for Reconstruction. Second — It promotes THRIFT among the masses and educates people to buy bonds.

National War Savings Committee, Ottawa.

- SIR HERBERT B. AMES, Chairman.
- CAMPBELL SWEENEY, Vancouver
- JOHN BLUE, Edmonton
- H. A. ALLISON, Calgary
- HON. GEO. A. BELL, Regina
- JOHN GALT, Winnipeg
- GEO. M. REID, London
- SIR GEORGE BURN, Ottawa
- W. M. BIRKS, Montreal
- RENE T. LECLERC, Montreal
- SIR J. DOUGLAS HAZEN, St. John
- W. A. BLACK, Halifax
- HON. MURDOCK McKINNON, Charlottetown.

HOWARD ROSS, K.C.

EUGENE R. ANGERS

ROSS & ANGERS

BARRISTERS and SOLICITORS

Coristine Building, 20 St. Nicholas St., Montreal

**DOMINION
COAL COMPANY**
Limited

"DOMINION and SPRINGHILL" BITUMINOUS STEAM and GAS COALS

GENERAL SALES OFFICE
112 ST. JAMES ST. MONTREAL

C. N. R. NOTE ISSUE OVERSUBSCRIBED.

William A. Read & Company, bankers, who offered for subscription \$7,500,000 Canadian Northern Railroad equipment trust 6 per cent gold certificates, B, announce that the issue has been oversubscribed. The bonds were offered at a price to net the investor 6 1/4 per cent.

**THE BETHLEHEM STEEL CORPORATION
ISSUES A 2 1/2 PER CENT. DIVIDEND.**

A preliminary report of the Corporation's earnings for the past year shows net income, after deduction of war taxes and other charges, of \$16,000,000 against \$27,320,736 in the previous year.

The total amount distributed for this quarter to the holders of the A and B common issues is the same as for the previous quarter, each 2 1/2 per cent., but the corporation's announcement referred to the current dividends as "1 1/4 per cent. regular," and "1 1/4 per cent. extra," indicating that the regular quarterly dividend rate may now be considered 1 1/4 per cent.

**BANK OF NOVA SCOTIA CONTEMPLATES
NEW BUILDING IN TORONTO.**

It became known last week that the Bank of Nova Scotia planned to erect a new building on their present site, along with land already acquired both to the east and to the west, giving them a frontage of 100-feet. The building would extend to Melinda street in the rear, but not to quite the same width. On King street the Bank of Nova Scotia building will extend on the east to the site of the contemplated new building of the Bank of Commerce, while on the west it will touch the Union Bank building, so that the three banks will occupy the entire block from Jordan street to Bay, and will make an unusual and imposing front.

No decision has yet been made as to when the Bank of Nova Scotia will commence operations. Plans have not yet even been drawn, as so much depends on changing conditions, cost of construction and so forth.

Though the Bank of Nova Scotia maintains its head office at Halifax, its general office is in Toronto, and the bulk of the executive work is done Montreal.

DOMINION BANK.

Annual Statement.

The report of the Dominion Bank, which was issued on Thursday, shows a large all-round increase and indicates a growing participation by this bank in the business of the country. Net profits showed an increase of \$81,435, amounting to \$1,086,498.

The net profits last year were 8.35 per cent. of the bank's capital and reserve, as compared with 7.73 per cent. in the previous year. The increase in deposits of \$12,400,000 was wholly in the class of non-interest bearing deposits, the total deposits now standing at \$96,107,711.

The assets have been increased during the year from \$109,435,145 to \$133,506,274, or about 22 per cent. The cash assets have reached \$28,498,000, an increase of \$1,160,000, and are 23.80 per cent. of the bank's liabilities to the public. There is an increase of \$5,800,000 of the bank's immediately available assets, which now stand at \$63,500,000.

Evidence of the bank's participation in business is shown by the increase of \$18,500,000 in commercial loans, which have reached a total of \$64,100,000. Notes in circulation are now \$9,858,533, an increase of \$400,000.

Out of the year's profits \$250,000 was written off bank premises account. The balance carried forward in profit and loss account was \$46,500, as compared with \$393,004, the previous year.

The annual meeting of the bank will be held tomorrow (Wednesday).

**CUNARD
ANCHOR
ANCHOR-DONALDSON**

Regular Passenger Services
to all British Ports

CUNARD LINE

TO LONDON.

From New York.

PANNONIA February 18th
TO LIVERPOOL.

From Halifax:

AQUITANIA February 1st

From New York:

GOENTOER January 30th

CARONIA January 31st

PRINSES JULIANA February 5th

SAXONIA February 12th

CARMANIA February 17th

ANCHOR-DONALDSON

TO GLASGOW.

From St. John, N.B.:

CASSANDRA February 14th

ANCHOR LINE

TO GLASGOW.

From New York:

ORIANA February 6th

For further information apply to Local Agents
or to W. H. Henry, 286 St. James St., Montreal.
THE ROBERT REFORM CO. LTD.
General Agents, (Canadian Services)
20 Hospital Street, Montreal.

BLACK DIAMOND

FILE WORKS.

Established 1863

Incorporated 1897

Highest Awards at Twelve International Expositions.
Special Prize, Gold Medal, Atlanta, 1896.

G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by
NICHOLSON FILE COMPANY.

**THE
LONDON DIRECTORY**

(Published Annually)

enables traders throughout the World to communicate direct with English

MANUFACTURERS AND DEALERS

in each class of goods. Besides being a complete commercial guide to London and Suburbs, it contains lists of

EXPORT MERCHANTS

with the goods they ship, and the Colonial and Foreign Markets they supply; also

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of leading Manufacturers, Merchants, etc., in the principal Provincial Towns and Industrial Centres of the United Kingdom.

Business Cards of Merchants and Dealers seeking

BRITISH AGENCIES

can now be printed under each trade in which they are interested at a cost of \$5 for each trade heading. Larger advertisements from \$15 to \$60.

A copy of the directory will be sent by post on receipt of postal orders for \$7.50.

THE LONDON DIRECTORY CO.

LIMITED.,

25 Abchurch Lane, London, E. C.

ESTABLISHED 1872.

BANK OF HAMILTON

Head Office: HAMILTON

CAPITAL AUTHORIZED 5,000,000
 CAPITAL PAID UP 3,000,000
 SURPLUS 3,500,000

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 \$15,000,000

The rental of a Safety Deposit Box represents a very low rate of insurance on your valuable documents. You will find our vaults conveniently located and in charge of courteous officials.

THE Royal Bank of Canada

Incorporated 1869

Capital Authorized \$25,000,000
 Capital Paid-up \$14,000,000
 Reserve Funds \$15,500,000
 Total Assets \$427,000,000

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

530 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICO, VENEZUELA, BRITISH WEST INDIES,
 SPAIN, Barcelona—Plaza de Cataluna 6.
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SAVINGS DEPARTMENTS' at all Branches

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
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 and other MONETARY DOCUMENTS.

Head Office and Works: OTTAWA.
 Branches:—
 MONTREAL, Bank of Ottawa Building.
 TORONTO, 19 Melinda Street.
 WINNIPEG, Union Bank Building.

U. S. BANK CLEARINGS.

Bank clearings this week at the principal cities in the United States, according to Dun's Review, amount to \$6,348,503,048, an increase of 19.4 per cent over this week last year. The gain at New York this week is 12.3 per cent and outside cities 33.4 per cent. Noteworthy gains continue to be reported by Philadelphia, Baltimore, Pittsburgh, Cincinnati, Cleveland, Minneapolis and San Francisco. Compared with this week in 1917, the increase in the aggregate of all cities is 32.3 per cent, to which New York contributes 23.6, and the outside centres 49.7 per cent. Average daily exchanges for the year to date are given below for three years.

	1919.	1918.	1917.
January	\$1,133,400,000	\$918,266,000	\$864,207,000
December	1,067,372,000	925,879,000	970,675,000
November	1,033,654,000	958,710,000	964,367,000
October	1,049,020,000	933,110,000	886,545,000

WEEKLY CLEARINGS.

Bank clearings at nineteen Canadian cities for the week ended January 23 aggregated \$249,322,008, an increase of \$47,835,692 over the corresponding week a year ago. Only one city among those reporting showed a decline. Fort William was down \$221,000. Montreal's clearings at \$92,371,914, showed an increase of 26 per cent., and Toronto's at \$68,614,491, an increase of 30 per cent.

Following are the clearings for the past week, with the changes from a year ago:

	1919.	Increase.
Montreal	\$92,371,914	\$18,820,525
Toronto	68,614,491	15,983,998
Winnipeg	38,667,699	4,244,391
Vancouver	10,067,103	1,539,320
Ottawa	6,617,732	750,927
Quebec	5,252,014	1,651,186
Hamilton	5,123,784	516,899
Halifax	4,691,505	1,668,631
Edmonton	3,465,723	319,636
Regina	2,912,294	332,313
St. John, N.B.	2,656,068	595,367
London	2,397,160	466,578
Saskatoon	1,721,723	197,715
Moose Jaw	1,498,547	431,382
Brantford	920,934	122,531
Lethbridge	902,209	186,135
Fort William	704,113	x221,391
Kitchener	681,042	156,093
Sherbrooke	656,903	23,561

Totals 249,322,008 47,835,692
 Windsor reported clearings of \$1,092,008; Brandon, \$521,244; New Westminster, \$438,350, and Medicine Hat, \$380,524.

x Decrease.

THE BANK OF FRANCE.

Paris, January 23.

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

	Francs.
Gold in hand, increase	3,102,000
Silver in hand, increase	426,000
Circulation, increase	93,848,000
Treasury deposits, increase	43,638,000
General deposits, increase	235,734,000
Bills discounted, decrease	86,945,000
Advances, increase	5,139,000

THE BANK OF ENGLAND.

London, January 23.

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

	£
Total reserve, increase	421,000
Circulation, decrease	677,000
Bullion, decrease	256,614
Other securities, increase	154,000
Public deposits, decrease	951,000
Other deposits, increase	1,776,000
Notes reserve, increase	356,000
Government securities, increase	267,000

The proportion of the bank's reserve to liability this week is 19.32 per cent.; last week it was 19.14 per cent. Rate of discount, 5 per cent.

VICTORY LOAN RESULTS.

Final Total Available

A new and perhaps final table of the subscriptions to the 1918 Victory Loan, made public on Thursday, shows a total of \$695,389,227. The last previous reported total was \$689,000,000. The new report shows that Ontario's subscriptions now amount to \$336,055,350, which is far beyond any other province, and almost fifty per cent. of the total from all Canada.


It is announced from Ottawa that of the total subscribed the Dominion will accept \$660,000,000, the balance being turned back to some of the largest subscribers, as had been understood from the first.

	Sub- scrip- tions.	Appli- ca- tions.	Per cap- ita.	One in how many.
B. C.	\$36,633,927	80,315	\$91.58	4.98
Alta.	18,999,250	56,813	37.25	8.98
Sask.	26,072,450	77,323	40.11	8.40
Man.	44,030,700	86,792	79.34	6.40
Ont.	336,055,350	542,648	131.25	4.72
Mont.	146,302,250	114,535	.....	.....
Que.	34,061,200	47,278	80.91	13.78
N. B.	17,002,550	31,957	48.58	10.90
N. S.	33,221,550	61,040	70.24	7.75
P. E. I.	3,011,050	5,406	32.13	17.33
Totals	\$695,389,227	1,104,107	88.91	7.08

ESTABLISHED 1832

Paid-Up Capital

\$6,500,000



Reserve Fund

\$12,000,000

TOTAL ASSETS OVER \$150,000,000

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

News Notes

For the week ending Jan. 16, 1919, there were 15 business failures in Canada as compared with 16 for the previous week, and 26 for the corresponding week last year. In 1917 there were 38 for the corresponding week, in 1916, 37, and in 1915 there were 79.

The People's Moderation Party has been organized at Vancouver with the object of securing modifications in the liquor legislation of the province. Aitken Tweedele, acting-secretary, states that representations would be made to the provincial government to allow the sale of light wines and beer, and the sale of liquor by the government under proper regulations, while opposition to the treating system was expressed.

Returns from three great Union Stock Yards of the Prairie Provinces, namely, Winnipeg, Calgary and Edmonton, show that during the season of 1918 nearly \$73,000,000 worth of stock was handled in these yards, an increase of over \$14,000,000 over 1917.

According to estimates compiled by the Dominion Bureau of Statistics, the national income of Canada probably amounted to two billions in 1917, and was likely increased by the rise in wages to \$2,400,000,000 in 1918.

The Eagle Star and British Dominions Insurance Company is absorbing the British Crown Assurance Corporation of London. The latter writes fire, burglary, accident, employers' liability, plate glass and other lines.

Dr. G. C. Creelman, Commissioner of Agriculture for the Province of Ontario, and Principal of the Ontario Agricultural College, Guelph, addressing the Agricultural Club of Ottawa at the University Club Rooms, repeated a message to the farmers of Canada from Right Hon. R. E. Prothero, Secretary of the English Board of Agriculture.

"I asked him for a message to the farmers of Canada," said Dr. Creelman, "and he told me that they wanted our chilled beef, and that Canada should develop the chilled beef trade right away in preference to the live cattle trade. He urged that there should be no delay. He also said that after the war Great Britain would not devote so much effort to raising hogs, because they could be fed cheaper on this side of the Atlantic, and as long as she can get pork products from this continent she would be satisfied to do so."

Dr. Creelman, remarking on the present hold-up in the bacon purchases said that while he had no direct information he regarded it as merely a temporary congestion.

Shipping was brisk in Quebec Harbor during the navigating season of 1918, according to figures from the harbor master. A total of 640 vessels, coastwise or overseas, came to Quebec during the summer of 1918. Eighty-one transatlantic vessels came direct to Quebec, while sixty-two passed through on their way to Montreal, making a grand total of 143 ocean-going vessels that came to Quebec. Outside of this, 133 coastwise vessels came to Quebec from Gulf ports, and 364 came down to Quebec from Montreal and the Great Lakes. During the navigation season of 1917, Quebec had seen a total of 681 vessels, both coastwise and oceanic. Further, a number of convoys, escorted by American, French and British warships, left for overseas with Canadian and American troops. It is estimated that, all told, Quebec embarked during 1918 over forty thousand troops, or marines, from the United States.

A calorie is the unit of food value and corresponds to the energy or heat necessary to raise the temperature of 1 pound of water 4 deg. Fahr.

The Food Production Department of the British Board of Agriculture has been asked by the War Cabinet to obtain information as to the possibility of carrying out schemes of land reclamations, if supplies of soldier labor should be available for the purpose during the period of demobilization.

The Press Bureau announces that the inter-departmental committee of prisoners of war announces that the German authorities have assured the Netherlands minister at Berlin that no secret prisoner camps now exist or have ever existed. The Netherlands minister states that there is no evidence of their existence. Search parties are still in Germany, seeking prisoners whose whereabouts are undisclosed.

The demand for British films has led to the formation of "British Films, Limited," under the direction of Jule and Jay J. Allen, which is being organized to import, distribute and exploit the leading photoplays of Britain and stories woven around British and Canadian life.

A history of the R. A. F. in Canada is being compiled from official data by an Air Force officer who is well known to Canadians as an author. It will contain the history of the whole brigade in detail, showing photographs of camps, units and panoramic views of the entire strength at demobilization.

The Dominion Government has decided that all enemy interned prisoners, who may be regarded as dangerous or undesirable, shall be repatriated with the least possible delay.

Two new cables are to be laid between San Francisco and Japan within the next two years, according to K. Uchida, former Japanese Vice-minister of Communication.

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 Dominion Bank

160 St. James Street

Careful attention is given to Foreign Exchange Business Cable and Mail Transfers, Drafts and Letters of Credit issued a General Banking Business transacted.

M. S. BOGERT, Manager

THE Home Bank of Canada



Branches and Connections Throughout Canada.

Montreal Offices:
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Hochelega Branch:
2111 Ontario St. East Cor.
Davidson

Verdun Branch:
1318 Wellington Street

"Your savings account indicates whether you are living in the spirit of the times."

DIVIDEND NOTICE

Notice is hereby given that the Reverend Fathers Alphonse-Emile Langlais, pro in'ial of the Dominicans, of the city of Saint Hyacinthe, Raymond-Marie Rouleau, Regent of studies, of the city of Ottawa, Pie-Marie Beliveau, of the city of Quebec, and Marie-Dominique Laferriere, of the city of Montreal, will apply to the Legislature of the province of Quebec, at its next session, for an act incorporating them under the name of "Le Tiers-Ordre de Saint-Dominique," with all rights, powers and privileges generally granted to religious corporation.

Nicolet, December 5th, 1918.

ARTHUR TRAHAN,
Attorney for Applicants

The Standard Bank of Canada.

Quarterly Dividend Notice No. 113.

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st January, 1919, and that the same will be payable at Head Office in this City, and at its branches on and after SATURDAY, the 1st of February, to Shareholders of record of the 23rd of January, 1919.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 26th of February next, at 12 o'clock noon.

By order of the Board,

C. H. EASON,

General Manager.

Toronto, December 20th, 1918.

COMMODITY MARKETS

Week's Wholesale Review

We quote Bradstreet's Montreal Weekly Trade report as follows:—

Every week brings its quota of soldiers returning from the front, and coupled with the closing down of our war industries, have caused a rather unsettled condition of affairs for the present, but every one is bright and feels that what the future has in store for us was never better.

Clothing manufacturers state that prices this year will be higher, while the quality will deteriorate. There is no prospect of any lower prices in woollen, linen, or cotton goods. One of our large retail buyers stated, that his purchases for fall goods were costing him fully twenty per cent. more than they did a year ago. He said, that the retail trade was never better than it is at present.

The flour markets are very unsettled, owing to the cutting off of our export trade. The English markets have large quantities of flour on hand, and have stopped buying for the present, and as our Canadian mills have considerable stocks on hand, they are only operating on short time, and some have temporarily closed down altogether.

The stoppage of orders for meats, etc., from the Imperial Government, has caused concern to our meat packers. There is some improvement in the real estate market, and the building trade.

Money is plentiful and collections are good.

Dun's Bulletin says of Canadian trade: While there has been no material improvement in general business in the Dominion of Canada, the prevailing sentiment continues optimistic in the principal cities. Readjustments to a peace basis are making gratifying progress, and price uncertainty is the chief obstacle in the way of a heavy demand for all kinds of merchandise. Travelers now on the road report stacks greatly depleted, except in certain winter lines, for which the weather has not been favorable in most sections. Transportation is in much better shape than at this time last year, when traffic was impeded by extreme cold and heavy storms, and collections are fair.

Montreal reports that dry goods travelers are beginning to send in orders, but that both wholesale and retail trade is rather inactive in the main. Prospects, however, are considered bright. Quiet conditions are the rule in most departments at Quebec, which is usual at this season, but collections are fair and few complaints are heard. There has been no important development at Toronto, business being still rather dull, but many wholesalers look for a substantial revival of activity before very long. Trade is about normal in volume for this period in the Far West and Northwest, but at some points the weather has not been favorable to the movement of seasonable merchandise. Wholesalers at Winnipeg, Calgary, Regina, Edmonton, Saskatoon and other centres say that price uncertainties cause these buyers to hold back and that business, on the whole, is rather quiet, but sentiment regarding the future is optimistic. Retail distribution is only fair, mainly because of weather conditions, and collections at some points are reported to be a little slow.

Gross earnings of Canadian railroads reporting for two weeks in January show an increase of 23.1 per cent as compared with the corresponding period a year ago. Commercial failures in the Dominion of Canada this week numbered 9, as against 15 last week and 23 the same week last year.

LIVE STOCK.

An easier feeling developed in the market for all grades of cattle at the Montreal Stock Yards last week, with the exception of canning stock, which was steady.

There was no further change in the condition of the market for sheep or lambs, but the feeling was

very firm, and prices fully maintained at the advance noted at the latter end of last week, which was due to the continued good demand and the smaller receipts.

The tone of the market for calves was also strong on account of the somewhat limited supply available, for which there was a fairly good enquiry, and sales of choice milk-fed veals were made as high as \$15 to \$16 per 100 lbs. Owing to the present condition of the export trade in hog products, commission men here last week advised their clients to curtail shipments of live hogs until further information is available regarding the situation, and in consequence the offerings on the market were much smaller than usual, but quite ample to meet all immediate requirements.

The trade at the Canadian Pacific Live Stock Market was much the same as that above on account of the conditions prevailing in regard to the export business. The market was easier for cattle and hogs, and firm for the other lines.

We quote prices per 100 lbs., as follows:

Cattle—		
Choice steers	\$12.75	\$13.25
Good steers	12.25	12.50
Fairly good	11.75	12.00
Fair	11.25	11.50
Medium	10.75	11.00
Light steers	10.25	10.50
Other grades	8.00	9.00
Cows—		
Choice heavy	9.75	10.25
Choice light	9.25	9.50
Good	8.75	9.00
Fair	8.25	8.50
Medium	7.50	8.00
Bulls—		
Choice	9.25	9.75
Good	8.75	9.00
Fair	8.25	8.50
Medium	7.75	8.00
Common	7.25	7.50
Calves—		
Choice milk fed stock	15.00	16.00
Good	13.00	14.00
Stall-fed, choice	9.00	10.00
Common	5.00	8.00
Sheep and lambs—		
Ontario lambs	14.50	15.00
Quebec lambs	13.50	14.00
Culls	11.50	12.50
Ontario sheep	9.00	10.00
Quebec sheep	8.00	9.00
Hogs—		
Selected lots	17.50	17.75
Sows	14.50	14.75
Stags	13.50	14.00

At Toronto canners were about the weakest class of cattle on the market, which was extremely slow. Trade in calves as well as sheep and lambs was also slow, while with regard to hogs the day of settled prices seems to have passed.

Latest quotations:

Extra choice steers	14.50	14.75
Choice steers	12.00	13.00
Butchers, choice, handy	10.00	11.00
Do., good	9.00	10.00
Do., medium	7.75	8.00
Do., common	7.00	7.75
Butchers' bulls, choice	9.50	12.50
Do., good	8.00	9.50
Do., medium	7.00	7.25
Butchers choice cows	9.50	11.00
Do., medium	7.50	9.00
Do., common	5.50	5.75
Feeders	9.00	10.00
Short keep feeders	9.50	11.50
Stockers	8.00	9.00
Cutters	5.25	5.75
Canners	6.00	6.10

Springers	90.00	150.00
Milkers, good to choice	85.00	130.00
Do., common and medium	65.00	...
Calves, very choice	16.75	17.00
Do., medium	14.00	16.00
Do., common and medium	6.00	10.00
Do., heavy, fat	8.00	9.50
Light lambs, per cwt.	14.50	15.00
Heavy lambs	14.00	14.50
Butchers' sheep	9.75	10.50
Do., fat and medium	7.00	8.00
Do., culls	8.00	10.00
Hogs, fed and watered	15.75	16.25
Do., off cars	16.00	16.50
Do., f.o.b.	15.00	15.25

COUNTRY PRODUCE.

BUTTER.

The steady demand for fine to finest creamery butter for export account and purchases of several thousand packages at 52½c per lb. for the former, and 53c. per lb. for the latter, was the feature of the local market. There has in addition been a steady demand from local buyers for supplies, and quite a few hundred packages changed hands. The market has therefore been more active with a larger volume of business being transacted.

The receipts of butter in Montreal for the week ending January 25, 1919, were 3,601 packages, which show a decrease of 414 packages as compared with the previous week, and a decrease of 12 packages with the same week last year, while the total receipts since May 1st, 1918, to date show an increase of 123,776 packages as compared with the corresponding period last year.

We quote wholesale jobbing prices as follows:

Finest creamery	53c	to 54c
Fine creamery	52c	to 52½c
Finest dairy	45c	to 46c
Fine dairy	41c	to 43c

CHEESE.

The market for cheese during the week had no important feature. The local and outside demand for Quebec small and twins was better, however, than it has been of late, and quite a few hundred sales were made at 27c. per lb. for the former, and 28c. for the latter.

The receipts of cheese for the week ending January 25th, 1919, were 406 boxes, which show a decrease of 361 boxes as compared with the previous week and a decrease of 1,186 boxes with the same week last year, while the total receipts May 1st, 1918, to date show a decrease of 119,461 boxes as compared with the corresponding period last year.

The following prices are being paid by the Commission:

No. 1 cheese	25c
No. 2 cheese	24½c
No. 3 cheese	24c

EGGS.

The production of eggs has steadily increased owing to the mild weather which has, lately prevailed, and in consequence the receipts of new laid stock have been larger than usual at this period of the year. This having a depressing effect on the market, prices have declined during the past week 3c to 5c. per dozen, and although supplies of cold storage eggs are now very limited, they are also 1c. per dozen cheaper.

There have been no importations of United States fresh eggs in Eastern Canada so far, prices there having not got down to a point where they can be handled at a profit in competition with the domestic product. The receipts of eggs for the week ending January 25th, 1919, were 1,661 cases, as compared with 1,684 for the previous one, and 2,019 for the same week last year. The total receipts since May 1st, 1918, to January 25th, 1919, were 275,028 cases,

as against 306,439 for the corresponding period last year.

We quote wholesale jobbing prices as follows:

Fancy new laid eggs	70c to 72c
Strictly new laid	65c to 68c
Cold storage selects	56c to 57c
Cold storage No. 1	53c to 54c

POULTRY.

A feature of the week in the dressed poultry trade was the announcement made by the British Ministry of Food (Canada) that they do not propose to make further purchases of frozen poultry, but are prepared to assist shipments on private account when opportunities occur. Shippers are warned that they must make their own arrangements for cold storage of poultry on its arrival in England. The receipts of fresh-killed poultry in this market for the week were small, for which there was a good steady demand, and prices in consequence were firmly maintained. Cold storage turkeys are said to be small compass and very firm. The demand for cold storage chickens and fowls has been fair for local consumption.

We quote wholesale jobbing prices as follows:

Choice turkeys, per lb. . . . .	.42c to .43c
Lower grades .. . . . . .	.38c to .40c
Milk-fed chickens .. . . . . .	.32c to .33c
Ordinary chickens .. . . . . .	.24c to .29c
Fowl .. . . . . .	.24c to .28c
Geese .. . . . . .	.25c to .26c
Ducks .. . . . . .	.32c to .34c

VEGETABLES.

The demand for beans during the week has not improved, and the market remains very quiet.

There has been no important change in the conditions of the market for potatoes during the week, and prices have ruled steady.

A fair trade continues to be done in Quebec turnips in a jobbing way, and as supplies are ample to meet all requirements, prices are unchanged.

LOCAL FLOUR.

Nothing of interest developed during the week in the flour situation. Domestic business has continued very quiet, there being practically no demand for supplies from the country, while the demand from city bakers and dealers has only been for quantities to meet immediate requirements. The only change in prices for Government standard spring wheat flour is that any quantity less than car lots is now selling at \$11.35 delivered to the trade while car lots are still quoted at \$11.25 to city bakers and \$11.25 per barrel in bags for shipment to country points.

The condition of the market for winter wheat flour is also unchanged, with a small trade passing in broken lots. The demand for white corn flour continues slow, but prices rule steady at \$9.60 to \$9.80, and rye flour is quoted at \$10.75 to \$11 per barrel in bags, delivered to the trade.

MILLFEED.

The increased demand from country buyers for mixed car lots proved the only feature of the mill-feed market during the past week. Prices per ton, including bags delivered to the trade, were as follows:

Pure grain moullie	\$68	
Pure oat moullie	\$62	\$64
Cornmeal feed	\$56	\$60
Pure barley feed	\$54	
Mixed moullie	\$47	
Dairy feed	\$52	\$43

Broken lots of bran sold at \$38.75 and shorts at \$43.75 per ton, ex-warehouse, including cartage.

ROLLED OATS.

An unsettled feeling prevails in this market owing to the continued and steady downward tend of prices for oats. On account of the fact that buyers generally are well supplied for the present prices are nominally unchanged. Golden cornmeal is steady, with a small trade passing at \$5 to \$5.25 per bag.

FOURTEENTH ANNUAL REPORT

BY THE DIRECTORS OF

The Imperial Guarantee and Accident Insurance Company of Canada

FOR THE TWELVE MONTHS ENDING THIRTY-FIRST DECEMBER, NINETEEN HUNDRED AND EIGH TEEN.

The Directors have much pleasure in submitting to the Shareholders their Fourteenth Annual Report for the twelve months ending 31st December, 1918.

BUSINESS.

The Company issued 18,626 Policies for insurance of \$37,174,370.00. The premiums on new and renewed business amounted to \$362,785.65, with premiums paid for of \$355,336.68, being an increase of \$52,128.00 in premiums on business written, and an increase of \$47,098.72 in paid-for premiums. The interest earnings amounted to \$20,516.28, an increase of \$976.83. It is satisfactory to note a favorable reduction in the ratio of expense to premium income.

The influenza epidemic has had the effect of abnormally increasing the claims paid, and requiring increased provision for the liabilities connected therewith.

ASSETS.

The Assets of the Company now amount to \$481,584.30, and the investments of the Company are all first-class securities bearing good interest returns. The Bonds and Debentures are carried in the Assets at a valuation actually below the valuation authorized by the Dominion Insurance Department.

SECURITY.

After providing \$172,940.00 for Unearned Premium Reserve and Reserve for Outstanding Claims; and after providing for other liabilities, the surplus to policyholders is \$298,139.00, which, together with the uncalled subscribed Capital of \$800,000.00, makes the available security for all contracts \$1,098,139.00.

The lines of Insurance now written are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance, and Automobile Insurance (including insurance of Automobiles against Fire.)

The Certificate of the Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

HERBERT C. COX,
President.

Toronto, 10th January, 1919.

Statement for Year Ending December 31st, 1918.

BALANCE SHEET.

Assets.	
Bonds and Debentures, depreciated value	\$356,275.50
Loans on Mortgages	9,000.00
Real Estate	2,365.03
Accrued Interest	2,163.64
Outstanding Premiums	48,443.87
Other Assets	14,548.23
Cash in Banks and on hand	48,788.03
	\$481,584.30
Liabilities.	
Government Reserve for Unearned Premiums	\$112,992.70
Reserve for Filed and Unfiled Claims	59,952.32
Sunday Accrued Accounts	2,500.00
Dividend payable January 1st, 1919	8,000.00
Capital Stock Paid	\$200,000.00
Contingent Reserve Fund	10,000.00
Surplus over all Liabilities	88,139.28
	298,139.28
	\$481,584.30

AUDITORS' CERTIFICATE.

We have audited the accounts of the Imperial Guarantee & Accident Insurance Company of Canada for the year ending December 31st, 1918. We have examined the Securities and verified the Cash and Bank Balances, and we certify that the above Balance Sheet shows the true position of the Company at that date.

CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

Toronto, 10th January, 1919.

LOCAL GRAIN.

The Canadian cash grain market developed considerable weakness during the week and prices steadily tended downward. In this market there was a decline of from 5c to 6c per bushel as compared with a week ago for oats. There was some demand for car lots for both local and country account, but the volume of business on the whole was small. The barley trade was quiet and there was little demand from any source for supplies. The break in American corn on spot for the week amounted to 9c per bushel and even at this reduction the demand was slow.

BUTTER AND CHEESE RECEIPTS.

The following table shows the receipts of butter and cheese in Montreal for the week ending January 25th, 1919, with comparisons:

	Butter, Cheese,	
	pkgs.	boxes.
Receipts Jan. 25, 1919	62	26
Receipts Jan. 18, 1919	60	178
Receipts Jan. 26, 1918	1,489	104
Week ending Jan. 25, 1919.	3,601	406
Week ending Jan. 18, 1919	4,015	767
Week ending Jan. 26, 1918	3,613	1,592
Total receipts May 1, 1918, to Jan. 25, 1919	476,430	1,708,392
Total receipts May 1, 1917, to Jan. 26, 1918	352,654	1,827,853

Solid Growth

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

Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

To-day, they exceed by far those of any Canadian life assurance company.

**SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL**

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable & Old Men

**GOOD OPPORTUNITY FOR MEN TO BUILD UP
A PERMANENT CONNECTION**

We Particularly Desire Representatives for City of Montreal

Chief Office for Canada:
164 ST. JAMES STREET, MONTREAL.

ALEX. BISSETT - - - Manager for Canada.

UNION ASSURANCE SOCIETY LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE, A.D. 1714.

Canada Branch, Montreal:
T. L. MORRISEY, Resident Manager.
North-West Branch, Winnipeg:
THOS. BRUCE, Branch Manager.
AGENCIES THROUGHOUT THE DOMINION

\$5,000

Provision for your home, plus

\$50 A MONTH

Indemnity for yourself.

OUR NEW SPECIAL INDEMNITY POLICY

Shares in Dividends.

Waives all premiums if you become totally disabled.

Pays you thereafter \$50 a month for life.

Pays \$5,000 in full to your family no matter how many monthly cheques you may live to receive.

Ask for Particulars.

**CANADA LIFE
TORONTO**

PRINCIPLES OF MARINE INSURANCE ESSENTIAL FOR THE EXPORTER AND IMPORTER.

Marine insurance, which is the most ancient form of protection, was a recognized business in the Fourteenth Century, and had its origin in the exporting and importing trade. Even at this early date the business men of the world realized the need of some form of protection. To-day marine insurance is one of the vital parts of our business machinery, and especially that portion which places at one's threshold commodities produced by his neighbour across the seas—commodities which are guarded by the export or import man from the point of production until they reach the consumer. Millions of dollars are invested by the exporter in transacting his business, and to protect his investment he has to establish credit. Then to protect the credit it is necessary to carry insurance.

Export and import shipments by large traders are usually covered under "open policies." An "open policy" is a contract between the insured and insurer, by which the underwriter agrees to insure all shipments, and the insured on his part agrees to report to the underwriter all shipments, and pay the premium thereon, as soon as in the ordinary course of business he is in receipt of the necessary shipping documents and can intelligently advise the underwriter what he wants insured. This "open policy," if properly worded, protects the trader against loss and damage to his goods from the time the shipment leaves the warehouse in the ordinary course of transit. This is often prior to the time the shipper has knowledge that the goods are at his risk. It is sometimes the case when handling a large volume of business that a shipment is overlooked.

In connection with export shipments, goods are handled under some form of contract, which among other terms and conditions, includes a clause as to payment. This is usually met by a letter of credit established through banking facilities. This letter provides for payment as soon as certain shipping documents, together with an insurance certificate, are presented to the bank where the credit has been established. One can readily see that without this insurance certificate to protect the bank in case of loss or damage to the goods the trader would be unable to collect against the letter of credit. The capital required to carry on the business of a large house under these conditions would be prohibitive.

It, of course, would be impossible for the shipper to present this "open policy" to the various banking institutions for collection against letters of credit; so, certificates are issued to cover each shipment. These certificates refer to the "open policy" by number, show the amount of insurance, commodity insured, point of shipment, destination, and the name of the vessel on which the goods are to be transported.

"The certificate of insurance" makes the claim payable to the holder thereof—provided it has been properly endorsed by the assured, and the claimant produces the necessary documents to confirm his ownership. It is not necessary to collect the claim at the point of shipment. A collection may be made at a designated office of the insurance company in the port or country to which the shipment is destined.

These certificates are stamped to show that the shipment is insured under "conditions as per open policy," and whether or not it is covered with or without average.

"Particular average" on a cargo is the damage from sea perils to the goods insured. This damage may result from fire, sea water, or breakage. It cannot be construed to mean all risks of breakage, rot, or inherent vice in the goods themselves, or from being spotted, mildewed, mouldy, musty, etc.—conditions accountable to the time ordinarily required for the shipment to reach destination. Policies usually contain a stipulation stating a particular average loss shall reach a certain percentage of the amount insured before a claim is collectible from the insurance company—usually 5 per cent. or 3 per cent. This provision is frequently modified to apply to a cer-

tain number of packages or division of the invoice. Sometimes it is made applicable to each case or shipping package.

"Free of particular average" on cargo insures the goods against total loss only. However, this clause is modified by the English conditions, which read as follows: "Free of particular average, unless the vessel be stranded, sunk, burned, or in collision;" or the American conditions reading "Free of particular average, unless caused by stranding, sinking, burning or collision." The difference in the two clauses being the words "caused by." Under the English terms, particular average claims are collectible as soon as the warranty has been opened, viz., if the vessel be stranded the warranty is opened and a particular average claim is collectible without regard to percentage irrespective, whether the damage is caused by stranding or other accident. Under the American conditions the particular average damage must be actually caused by the perils mentioned in the clause.

Certificates of insurance, in addition to being stamped "conditions as per open policy," together with the terms of average, frequently provide for special terms not included in the "open policy," and are dependent upon the commodity shipped. This form is used for insuring liquids against leakage, which amounts to 3 per cent., after deducting 1 per cent. for ordinary leakage.

Textile goods, men's and women's wearing apparel, rubber automobile tyres and tubes, and commodities of a similar nature are usually insured against loss by theft or pilferage. Theft means the loss of an entire package, while pilferage covers the breaking open and partial loss of a package. Goods subject to loss by breakage should be insured against "all risks of breakage."

In considering these special clauses it is understood, of course, that the regular marine premium is increased because of the additional protection. Many factors have to be considered by an underwriter in determining a rate for these special terms and conditions, such as: the nature of the goods insured, how packed, length of voyage, destination, etc. The method of packing is especially important when compiling a rate for breakage, theft and pilferage or leakage terms. The political and civic conditions of the country to which the goods are destined is another one of the many factors to be considered in connection with the theft and pilferage risk.

Unless the policy contains a clause stating that the property is insured against loss or damage caused by explosion "wheresoever and howsoever" occurring, a claim is not collectible for loss or damage as a result of an explosion. Very good examples of such loss were the disaster at Halifax during the past winter and the explosion at Black Tom, Jersey City, N.J., July 30, 1916. In view of the disaster at Halifax, various banking houses in New York City, through whom letters of credit are issued against clients in the Far East, recently issued a joint circular letter demanding that insurance certificates contain an explosion clause.

Another important risk to be considered in connection with marine insurance, aside from the nature, construction and class of the vessel on which the goods are to be carried—and one which does not occur to the layman—is the lighterage risk at port of loading and discharge. This risk in a harbour such as New York is very great on account of the enormous amount of traffic. Then there is the risk of barges and lighters sinking due to planks at and below the water line which may have been cut through as a result of towing the vessel through heavy fields of ice. Losses caused by ice were very numerous in New York harbour during the past winter.

The lighterage risk at destination must also be considered, owing to the lack of facilities for handling merchandise at various ports and the exposed position of some harbours in the event of a storm.

In arranging an "open policy" for the account of a large exporting and importing house it is necessary to consider risks and conditions applying at all points of the compass and commodities of every description.—Vulcan, New York.

COMPULSORY HEALTH INSURANCE.

In line with the views of Dr. Hoffman, the former chief medical investigator for the National Industrial Conference Board, Dr. George E. Tucker, has presented a series of arguments against the introduction of a compulsory health insurance system in the United States, and in summing up quotes Ambassador Gerard:

"The workmen in the cities (of Germany) are hard workers and probably work longer and get less out of life than any workmen in the world. The laws so much admired and made ostensibly for their protection, such as insurance against unemployment, sickness, injury, old age, etc., are in reality skillful measures which bind them to the soil as effectively as the serfs of the Middle Ages were bound to their masters' estates."

Dr. Tucker stated, also, that the application of compulsory health insurance in Great Britain has been a signal failure, as evidenced by reports which have emanated from responsible authorities in that country, and he concluded by saying: "In this war for humanity, neither we nor any of the allied countries would be justified in copying any German plan which is known to have been conceived in iniquity and enforced through militarism and aimed to destroy individualism and democracy. — Insurance Times."

INSURANCE IN 1918.

THE SUN LIFE.

The Sun Life reports indicate that 1918 was a record year for that company. New business written totalled \$57,806,966, an increase of \$2,642,498 over 1917, and nearly \$10,000,000 more than the 1916 figures.

THE IMPERIAL LIFE.

The Imperial Life had a record month in December, when new business totalling approximately \$2,000,000 was written. Its total new business for 1918 was \$15,013,000, an increase of \$2,000,000 over 1917, which was the previous high record. The company's reserves have increased \$1,250,000 during the year, and now stand at \$12,247,529. Assets total \$15,448,000—an increase of \$1,164,000 over 1917—of which \$6,000,000 is invested in bonds and debentures.

THE CANADA LIFE.

The Canada Life reports a splendid year. New business totalled \$22,891,668, an increase of \$2,522,725 over 1917. Total income was \$11,048,342, a gain of \$1,477,350 compared with 1917. Business in force now totals \$195,980,550, being in excess of the 1917 total to the extent of \$12,963,790.

THE NORTH AMERICAN LIFE.

The North American Life received business during December totalling over \$1,700,000, which is a record for any one month. Total application received in 1918 amounted to over \$14,700,000, an increase of 16 per cent. compared with 1917.

THE EXCELSIOR LIFE.

The Excelsior Life increased its business last year over half a million dollars compared with 1917; the 1918 business totalled \$6,750,000.

HALIFAX DISASTER DAMAGES.

Advice from Halifax states that writs have been issued in the Supreme Court requiring sixty-three insurance companies to show cause why they are not liable for damages aggregating \$400,000 sustained in the destruction of the Richmond plant of the Acadia Sugar Refining Company as a direct result of the explosion of December 6, 1917. There are thousands of such claims pending in Halifax, but, so far, this is the first one to get into the courts, and it is currently believed that the preparation of Can-

ada's account against Germany may have something to do with the action.

The liability of the insurance companies for losses by fire caused indirectly by the explosion has been under consideration for some time, and it has been agreed that no action should be brought against the companies pending an expert investigation as to the merits of their responsibility. It is understood in this connection that the investigators have decided upon a percentage which they feel the insurance companies should be called upon to pay in the settlement of all claims based on damage by fire alone, but the matter has yet to be finally disposed of. These claims are not to be confused with that brought to a head through the action of the Acadia Sugar Refining Company.—Insurance Times.

IMPERIAL GUARANTEE ANNUAL REPORT.

The annual report for 1918, which was presented to the shareholders of the Imperial Guarantee and Accident Insurance Company of Canada, shows that a good year's business was transacted by the company. 18,626 policies were issued, amounting to \$37,174,370. The premiums on new and renewed business amounted to \$362,785.65, with premiums paid for of \$355,336.68, being an increase of \$47,098.72.

In spite of the large increase of claims paid due to the influenza epidemic the assets of the company amount to \$481,584.30, while the investments of the company are all first class securities bearing good interest returns. The Bonds and Debentures are carried at a valuation actually below the valuation authorized by the Dominion Insurance Department.

The lines of insurance now written by the company according to the report are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance and Automobile Insurance.

EXCELSIOR LIFE.

At the company's annual meeting which was held in Toronto on the 23rd instant, it was announced that assets amounted to over \$5,000,000, and that a record amount of new business was secured.

During the year, applications for new assurances were received for \$6,784,002.00, the largest amount applied for in any year in the history of the company. There were issued and revived policies for a total of \$6,488,056.00, bringing the total in force up to \$26,842,967.30.

The premiums, new and renewal, after deducting payments made to other companies, for re-assurances, amounted to \$909,306.75, being a substantial increase over 1917 of \$113,238.58, or 14 per cent.

The total receipts for premiums, interest, rents, etc., amounted to \$1,207,316.18, an increase of \$122,233.48.

The amount paid to policyholders for Death Claims, Matured Investment and Matured Endowment Policies, in addition to the amount set aside for their benefit during the year, totalled \$869,576.39, or in other words, out of every dollar of premiums received from policyholders during the year, over 95 cents was returned to or set aside for their benefit.

The total assets available for security of policyholders have now passed the Five Million Dollar Mark, totalling \$5,210,841.21, an increase for the year of \$275,379.18.

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 age at nearest birthday, to

WALTER I. JOSEPH, Manager.

Province of Quebec and Eastern Ontario,
Suite 502 MCGILL BLDG., MONTREAL, QUE.

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

The largest general insurance Company in the World.

Capital Fully Subscribed	\$ 14,750,000
Capital Paid Up	1,475,000
Life Fund, and Special Trust Funds	73,045,450
Total Annual Income Exceeds	57,000,000
Total Funds Exceed	159,000,000
Total Fire Losses Paid	204,667,570
Deposit with Dominion Government	1,323,333
(As at 31st December, 1917.)	

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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THE SOCIETY FOR THE ADVANCEMENT OF INSTRUCTION IN THE LANGUAGES.—Instruction in the Languages and Mathematics. No. 91 Mance Street, or telephone East 7302 and ask for Mr. E. Kay.

Founded in 1806.

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

ASSETS EXCEED \$50,000,000.
OVER \$10,000,000 INVESTED IN CANADA.
FIRE & ACCIDENT RISKS ACCEPTED.

Canadian Head Office:

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

"SOLID AS THE CONTINENT"

Throughout its entire history the North American Life has lived up to its motto "Solid as the Continent." Insurance in Force, Assets and Net Surplus all show a steady and permanent increase each year. Today the financial position of the Company is unexcelled.

1918 promises to be bigger and better than any year heretofore. If you are looking for a new connection, write us. We take our agents into our confidence and offer you service—real service.

Correspond with
E. J. HARVEY, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY

"SOLID AS THE CONTINENT"

HEAD OFFICE TORONTO.

1,844,571 HORSE POWER IN CENTRAL ELECTRIC POWER STATIONS IN CANADA.

A census and directory of the Central Electric Power Stations in Canada has just been completed by the Dominion Bureau of Statistics, and the Dominion Water Power Branch of the Department of the Interior working in co-operation and with the assistance of the Ontario Hydro-Electric Commission, the Quebec Streams Commission and other Provincial Departments concerned. The report is in two parts, Part I comprising a complete census and statistical survey, with accompanying explanatory matter, whilst Part II forms a comprehensive directory of all commercial and publicly-owned power stations in operation throughout Canada, showing the principal features of each, the locations where blocks of electrical energy are for sale, the prices at which power is obtainable, transportation facilities available in the vicinity, etc. The collection of the data was made by the Bureau of Statistics and the Provincial Departments and the analysis and preparation of the data by the Water Power Branch.

The statistics include only central electrical stations, that is, stations developing electrical power for sale; all other electrical establishments, such as electric railways, etc., are excluded. Outstanding features of the report are as follows:

CAPITAL AND LABOR.

The capital invested in central power stations totals \$356,004,168, of which 79.5 per cent. is invested in commercial stations, and 20.5 per cent. in municipal or publicly-owned stations. Total employees number 8,847 receiving wages and salaries totalling \$7,777,715 per annum.

REVENUE.

The total revenue received from the sale of electrical energy is \$44,536,848, of which \$29,135,399 were secured by commercial and \$15,401,449 by municipal plants.

POWER INSTALLATION.

The primary power installation in central stations totals 1,844,571 h.p., of which 78.3 per cent., or 1,444,314 h.p. is installed in commercial stations, and 21.7 per cent., or 400,257 h.p. in municipal stations. Of the total primary horse power installed, 1,652,661 h.p. is derived from water, 180,800 from steam, and 11,710 from gas and oil.

COST OF CONSTRUCTION.

Of special interest is the actual cost of construction of hydro-electric power stations per installed horse power. Omitting all real estate, transmission and distribution equipment, seventy representative hydro-electric stations throughout the Dominion, with an aggregate turbine installation of 745,797 h.p. and a total construction cost of \$50,740,458 show an average cost of \$69.11 per installed turbine horse power. The figure in brief represents the average capital cost of construction at the power site and is of considerable interest to engineers.

HYDRO-ELECTRIC POWER IN THE CENTRAL STATION INDUSTRY.

One of the most important facts disclosed as a result of the statistics is the outstanding position which water power takes in the central station field. Out of a total installed primary capacity of 1,844,571 h.p., 1,652,661 or 89.6 per cent.—practically 90 per cent.—is derived from water. This figure is indicative of the extent and availability of the water power resources of the Dominion and of the remarkable degree to which their adaptability for central electric station work has been appreciated in principle and realized in practice. The vast water power resources of the Dominion, the ready adaptability of hydro-power to the production of electrical energy and the increasing extent and scope of economical electrical transmission from an industrial asset which probably more than any other will ensure a full measure of future prosperity.

DIRECTORY OF CENTRAL STATIONS.

The directory of central electric stations in Canada, which forms Part II of the report, constitutes the first governmental attempt to systematically compile a ready reference to the central electric stations of the Dominion. Garcke's Annual, issued in

England and McGraw's Directory, published in the United States, have attempted to deal with this field in Canada, in order to provide reference data in the general interests of commerce and industry. The material which has now been compiled is much more exhaustive and comprehensive in every way than either of these publications, and it is thought that it will prove a valuable asset in the reconstruction period as it permits a bird's eye view of the present status of the industry in all parts of the Dominion, and indicates the locations where expansion is readily feasible. As already stated, a special effort has been made to secure from the various corporations and municipalities, information relative to blocks of electric power available for sale; the prices at which such power can be provided; the available sites for industry in the vicinity, and the transportation facilities available. The corporations and municipalities have co-operated heartily in this connection. It is intended that, in so far as possible, this information shall be kept up to date.

DECREASE IN CANADA'S TRADE BALANCE.

The balance of trade in favor of Canada in the calendar year 1918 amounted to \$322,537,840, a decrease of about 220 millions, as compared with 1917, and of about 2½ millions as compared with 1916.

Exports of domestic produce and imports entered for consumption for the full twelve months of each of the past seven years, with the balance for or against Canada, are given in the following table:

Year.	Exports.	Imports.	Balance.
	\$	\$	\$
1918	1,229,208,244	906,670,404	+322,537,840
1917	1,547,430,855	1,005,071,716	+542,359,139
1916	1,091,706,403	766,501,512	+325,204,891
1915	614,129,845	450,517,774	+163,612,071
1914	379,291,000	481,214,000	-101,923,000
1913	436,213,000	659,061,000	-222,848,000
1912	341,978,000	635,585,000	-293,607,000

DECEMBER EXPORTS DOWN.

The contraction in agricultural exports was the outstanding factor in the decrease of December exports as a whole. These exports of grain, which had amounted to no less than \$91,716,447 in December, 1917, were only \$38,871,623 last month.

Exports of manufacturers held well, amounting to \$32,266,381, the decrease from the previous year being less than \$1,500,000. Exports of animals and their produce, which include dairy products, showed an impressive gain at \$21,819,189, an increase of more than \$10,000,000.

Dec.	Exports.	Imports.	Balance.
1918	\$107,474,401	\$73,341,265	+34,133,136
1917	148,411,000	61,634,000	+86,777,000
1916	130,037,000	68,014,000	+62,023,000
1915	92,171,000	45,690,000	+46,481,000
1914	37,193,000	30,292,000	+6,901,000
1913	55,803,000	45,004,000	+10,799,000
1912	38,568,000	51,142,000	-12,484,000

RECORD BY MONTHS.

September stood out as the best trade month of 1918, the total of exports standing at 138 millions, and the balance in favor of Canada at 67 millions. The banner month in 1917 was November, with exports of 187 millions, and a favorable balance of 114 millions, a record that is likely to stand for a long time.

The course of exports, imports and trade balance through 1918 is given in the following table:

	Exports.	Imports.	Balance.
Jan.	\$96,216,284	\$60,677,414	+\$35,538,870
Feb.	86,361,671	52,206,448	+34,155,169
Mar.	99,854,987	87,255,698	+12,599,289
Apr.	71,161,652	78,623,941	-7,462,289
May	79,002,039	89,809,083	-10,807,044
June	108,509,788	82,094,786	+26,415,002
July	103,019,447	82,907,900	+20,111,547
Aug.	90,153,888	79,652,526	+10,501,362
Sept.	138,738,700	71,469,480	+67,269,220
Oct.	129,554,438	75,541,815	+54,012,623
Nov.	119,161,003	73,090,048	+46,070,955
Dec.	107,474,401	73,341,265	+34,133,136
Total	1,229,208,244	906,670,404	+322,537,840

PULP AND PAPER ASSOCIATION TO MEET.

The sixth annual meeting of the Canadian Pulp & Paper Association will be held at the Ritz-Carlton Hotel, Montreal, on Friday, January 31. It will open at 10 o'clock in the morning with a business meeting, and close in the evening with a formal dinner at which the principal guests of honor will be Sir John Willison, Brig.-Gen. J. B. White and George W. Sissons, Jr., president of the American Pulp & Paper Association.

The meeting promises to be of unusual importance, as considerable attention will be given to a review of the industry's affairs during the last year, including the effects had upon it by Government regulation of newsprint paper; and to a discussion as to how the industry can best be made to serve the country during the readjustment period. Special consideration, it is announced, will be given to the industrial side of the question with a view to bettering the conditions of the mill operatives, woodsmen and other employees. It is estimated that the total number of workers now employed in Canada, including woodsmen, is between 35,000 and 40,000. A general scheme for improving the welfare of these employees is among the tentative objects of the meeting. Mr. F. J. Campbell, manager of the Canada Paper Company, and president of the Association, will preside.

The meeting of the Association proper will be preceded by a meeting of the Technical Section on Thursday, January 30, continuing into the following day. Various addresses of interest to paper-makers will be delivered, including one by Dr. V. K. Kriebel, of the Department of Chemistry of McGill University, on "Canadian Waste Sulphite Liquor as a Possible Source of Alcohol," and another by J. Newell Stephenson on "The Place of the Pulp & Paper Industry in the Readjustment Period." Among the interesting features of the Section's programme are motion pictures of power plants taken by the United States Fuel Administration Board and a visit to the Montreal Technical School as the guests of Principal Macheras.

Mr. O. Rolland is chairman of the Technical Section Programme Committee, and his associates are J. N. Stephenson, R. W. Hovey and A. L. Dawe.

BANK OF GERMANY.

Berlin, January 25.

The statement of the Imperial German Bank for the week ending January 15, shows the following changes (in marks):

Increases — Treasury notes, 38,756,000; bills, 1,567,675,000; investments, 1,279,000; securities, 63,822,000; circulation, 189,526,000; deposits, 1,751,236,000.

Decreases — Coin, 2,925,000; gold, 2,925,000; notes, 138,000; advances, 920,000; liabilities, 273,213,000.

Total gold holdings, 2,257,186,000.

DULUTH-SUPERIOR TRACTION CO.

Comparative weekly statement of gross passenger earnings for month of January, 1919:

	1919.	1918.	Inc.	Dec.
1st week	\$31,747	\$31,855	....	\$106
2nd week	33,270	31,045	\$2,224	...
Month to date	\$65,018	\$62,899	\$2,118	...
Year to date	\$65,018	\$62,899	\$2,118	...

BRANCH.

Another branch of the Bank of Hamilton has been opened in Western Canada. On the 10th of this month a new branch at Weldon, Sask., was opened with Mr. O. Olafson as manager.