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Special Articles

The New Taxes.

By H. M. P. ECKARDT.

Conditions in the West.

By E. CORA HIND.

Editorials:	Page
The Budget	1
The Canadian Pacific	2
The Situation in Ireland	2
Railway Nationalization	2
The New Taxes	3
The Budget	4
Conditions in the West	5
Public Opinion	6
Among the Companies	7-8
Bank Clearings	9
A Little Nonsense Now and Then	11
Montreal Stocks in April	13
37 Years of the C. P. R.	14
The Commodity Markets	15-16

The Budget

AN acting Minister is seldom called on to substitute in so important a duty as that which fell upon Hon. Mr. Maclean, of Halifax, in the House of Commons on Tuesday last, when, in the absence of the Minister of Finance, he had to make the Budget Speech, a duty which he performed so acceptably as to receive deserved compliments from members on both sides of the House. In a deliverance compressed within a little more than an hour, Mr. Maclean presented a very clear statement of the most material facts respecting the revenue, general and war expenditure, loans and Dominion finance generally. It was not a very pleasing picture that he had to present. An expenditure for war service running far beyond what anybody in Canada could have dreamed of when the war began, and a consequent increase of net debt to nearly a billion and a quarter dollars, are not agreeable things to have to talk about. But stupendous as the figures are, they are not startling. The House and the country are fully realizing, in financial affairs, at all events, what the war means, and there is no disposition in any quarter to shrink from any expenditure that seems necessary for the maintenance of Canada's part in the conflict.

That the large outlay would call for new sources of revenue, new methods of taxation, was well understood, and the proposals made by the Government seem to be pretty generally acceptable to the public. Even more drastic measures than those proposed would find favor in the present state of opinion in the House and the country.

The increase of the income tax in the case of the large incomes is eminently just, for, large as the levy will be to those who are called upon to pay it, it will be much less of a burden than that which has to be borne by those less fortunate in the amount of their incomes. The allowance for children is an improvement on the tax of the past year. The renewal of the excess profits taxes on business and the extension of it to enterprises having a capital of only \$25,000 will not be a surprise. The taxes on commodities will bring some burdens that will be felt keenly, but the recollection of the situation that produces them will tend to prevent much complaint. Tobacco, cigars and cigarettes are always tempting articles to a Finance Minister in need of revenue. The increased prices that will occur will probably check consumption, and doubtless there are many people who will view that result without displeasure. The tax on matches will yield quite a bit of money. In proportion to the value of the article, it is very heavy. The additional 10% on automobiles, gramophones, piano

players, etc., and on jewelry will be regarded as a justifiable levy on luxuries, especially as it is applied to the home-made articles as well as to the imported goods. The tax that will probably be most keenly felt and be viewed with most regret is the imposing of ten cents per pound on tea. Tea taxes are not popular, and Finance Ministers are slow to adopt them if they can be avoided. Yet the tax is consistent with sound principles, and is one that is distributed over all classes of the people. If it could have been avoided the budget would have been more popular.

At another time, under different conditions, some of these taxes would meet with severe criticism and strenuous opposition. In the situation that presents itself to-day the general feeling will be that these levies on the resources of the people are necessary, and must be borne cheerfully as a part of the service that all owe to the great cause in which the British Empire and the Allies are fighting. The Budget of 1918, and the war appropriation of five hundred million dollars, that accompanies it, are a new declaration of Canada's determination to do her part in the great conflict.

The Canadian Pacific

THE annual meeting of the Canadian Pacific Railway Company, held on Wednesday, was of very short duration, the proceedings being for the most part of a very formal character. This in itself was a tribute to the management of the great corporation, for when things were not going well there are usually found inquiring and critical shareholders, who wish to know the reason why. Lord Shaughnessy, the President of the company, submitted, besides the report of the year's operations, a review of the financial operations of the company from the beginning, which was most interesting and instructive.

At a time when the cost of labor and materials had advanced greatly, it was not surprising that the railway companies claimed a right to increase their charges for both freight and passenger traffic. An argument strongly urged against this claim was that, while the other companies were admittedly in straitened circumstances, the Canadian Pacific, the largest of all, was flourishing, and did not need any increase. The claim of the railways was recognized by the Board of Railway Commissioners. The argument being renewed before the Government, on an appeal from the Board's decision, the problem was solved by granting the increased rates, and at the same time imposing a special tax on the Canadian Pacific,

which would take into the public treasury the greater part of the increase allowed to that company. Probably it was this action, and the discussions in connection with it, that suggested to Lord Shaughnessy that the time was appropriate for the presentation to the public of a review of the company's operations. He does not protest against the burdens imposed on the company. He says the tax will be paid "without protest," and, for the comfort of his shareholders he adds, without embarrassment to their finances. It is war-time, and the needs of the public treasury are great. Therefore, in this, as in all other things, the C. P. R. will do its part loyally. Nevertheless he observes that the recent decision "imposes upon it (the company) a measure of taxation discriminatory in its character, and therefore your company might with propriety question its fairness or justification." If the company's affairs are prosperous, he claims, it is because they have been managed economically and efficiently, and he suggests, rather than asserts, that these are not qualities that should be penalized.

The financial success of the corporation has indeed been remarkable. That it had its hard times in its early days is well known. In that time of trial its directors more than once assumed personal liability for large obligations. It would have been in accordance with railway practice elsewhere if they had sought compensation for this service by the creation of separate corporations, to which might have been diverted some of the opportunities of money making, to the personal profit of the promoters; but it was the policy of the company to hold all such opportunities for the company's benefit. The directors who aided the company with their personal means or credit received their money back, and nothing more. "All the revenue-producing attributes," says the President, "were reserved for the advantage and benefit of the shareholders, and the resulting profit to the company's checkbook is very substantial indeed."

Concerning the large land subsidy received by the company, on which much stress is laid by the company's critics, the President points out that at the time the land was granted, and even for some years afterward, it was of very little value, and that it was the company's enterprise and large expenditures—including fifteen million dollars expended on irrigation and seventeen millions on immigration—that made the land the valuable asset it became.

On the question of capitalization the statement presented is an unusually strong one. The shares of the company when first issued had to be sold at a large discount. The original issue of \$65,000,000 yielded to the treasury an average of only 46 cents on the dollar. Nine years after the completion of the railway the common stock was offered as low as 33 cents on the dollar. Better times came, and new shares were issued on terms that gave some advantage to the holders of the then existing shares. The position to-day is that there is outstanding common stock of \$260,000,000, which has yielded to the treasury of the company an average of \$112 cash for every \$100 of stock. "If," says Lord Shaughnessy, "the additional amount supplied for capital expenditure from the surplus belonging to the shareholders be taken into account, the shareholders paid an average of \$143 for each \$100 of stock that they hold," Lord Shaughnessy, we think, rather strains his argument here. The surplus, of course, belonged to the share-

holders, in the sense that everything belonging to the company is theirs. But as it came out of the profits of the enterprise, and not out of the pockets of the shareholders, it was not theirs in the same sense as the money that they had paid into the company's treasury for their stock. But without this additional point, the President's statement respecting the yield of the stock to the treasury is a very striking one. A company which can point to the actual cash payment into its treasury of \$112 for every dollar of stock issued for the beginning of its operations occupies in that respect a very strong position.

Lord Shaughnessy's review of the financial operations of the company is, as we have said, both interesting and instructive. A great corporation like the Canadian Pacific, with its world-wide system of railways, steamships, telegraphs, coming closely into touch with the Canadian people in so many ways, will inevitably find itself at times coming under criticism, which may be just or unjust. But all Canadians may well feel proud of the splendid organization which is playing so large a part in Canadian development, and none will be unwilling to deny to its directors and managers the tribute that is due to them for its remarkable success.

The Situation in Ireland

ONLY the very critical position of our armies in France and Belgium prevents the affairs of Ireland occupying the very first place in public attention at this moment. Very grave events are occurring there, which may seriously affect the Empire, both in the present and the future. Mr. Lloyd George's well meant efforts to grapple anew with the Irish problem have not so far yielded good results. The men of action, who are noted for their force of character, for deciding and doing things promptly, are not always blessed with the virtue of discretion. Was it not Thackeray who said that one should not expect all the virtues in a servant for a few shillings a week? One should not expect all the virtues even from so able and valuable a man as the British Premier. That the questions of Home Rule and Irish conscription bristled individually with difficulties everybody knew, Mr. Lloyd George seems to have conceived the notion that if the two problems were tied together the bristles would neutralize each other, and a satisfactory degree of harmony would ensue. Hence, when the situation seemed to be full of trouble, he boldly announced that his Government would immediately enforce conscription in Ireland, and would at the same time bring in a new Home Rule Bill. It was a bold stroke, and had the possibility of proving an effective one. But the Premier's expectations have not so far been realized. The Irish people have refused to be conciliated with the promise of a Home Rule bill, the character of which remains to be disclosed. The Nationalists, who under the leadership of John Redmond gave the Government a hearty co-operation in war policy, apart from Irish conscription which had not been attempted, are now, under the leadership of John Dillon, absenting themselves from Parliament, finding common ground with the Sinn Fein element, organizing in every possible way to oppose conscription. Worse still, the Irish Roman Catholic Bishops have openly given their blessing to the anti-conscription movement,

and are participating in it to a degree that is alarming. The ultra Protestant element that is easily disturbed, sees in this move of the Roman Catholic clergy a design, originating in the Vatican, to exercise a control in affairs of state that is a menace to the Protestant religion and to British institutions. Appeals to the non-Catholic population to resist this movement are made through the columns of influential journals. Some of the most prominent English Roman Catholics are doing their best to prevent the development of this unhappy situation. An organization representing English Catholics has made representations to the Pope against the attitude of the Irish bishops. Lord Denbigh, who, since the death of the Duke of Norfolk, is the most eminent layman of the Roman Catholic Church in England, has written a vigorous letter to the Times, protesting against the course of the bishops, and warning all concerned that it is likely to bring about a hostility to the church and its members everywhere that can be productive of harm only.

In the presence of such a situation one is not surprised to learn that the Government have to recede from their announced intention to enforce conscription immediately. It is reported, too, that the plans for the introduction of a new Home Rule bill are not working smoothly, and that there will be more delay than was expected in framing the bill. If this be correct, it will be further evidence that the Premier, in his undoubted zeal for the cause, was too hasty in making an announcement that the Government were ready to bring in a bill. The decisive character of the announcement justified a belief that the Home Rulers and anti-Home Rulers in the Cabinet had been able to agree on a measure. It is evident now that they had not.

Railway Nationalization

IN reply to repeated efforts to elicit from him an announcement of the Government's policy respecting the great railways of the country, the Minister of Railways said that at a later stage of the session he would make a statement. In the meantime, the steps taken by the Government to assist the needy companies in obtaining rolling stock may fairly be taken as an indication that it is not contemplated that there will be any legislation this session for the acquisition of any railway outside the Canadian Northern system, which is now practically under Government control.

An incident reported from England is calculated to give aid and comfort to the advocates of nationalization in Canada. Soon after the breaking out of the war the British Government took control of the British railway system, leaving the management, however, largely in the hands of the companies' officials, and guaranteeing fair dividends to the stockholders. If not exactly railway nationalization this was pretty near it. There are people in the Old Country who are anxious to have the present system of control made permanent by the actual purchase of the railways by the Government. Resolutions to that end were adopted at a recent labor congress at Blackpool. Those who presented these resolutions to the Prime Minister, Mr. Lloyd George, have announced that he "gave a sympathetic hearing to the deputation, and cordially received the suggestion that railways, canals and waterways should be nationalized."

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The New Taxes

The Changes Now Made in the Income Tax Law Will Not Affect the Figures of 1918-19 Revenue, as the Increased Taxes are to be Applied to the Taxpayer's 1918 Incomes and Will be Payable in June, 1919.

By H. M. P. ECKARDT.

Before the war the customs collections constituted from 60 to 65 per cent. of the Dominion Government's total revenue. During the years of war the amounts derived from the various sources were as follows:

	1914-15.	1915-16.	1916-17.	*1917-18.
Customs	\$ 75,941	\$ 98,649	\$134,043	\$143,311
Excise	21,479	22,428	24,412	26,677
Post Office	13,046	18,858	20,902	20,774
Public Works	12,953	18,286	24,440	27,200
Miscellaneous	9,652	12,924	28,901	24,408
	\$133,073	\$172,147	\$232,701	\$252,372

*The figures for 1917-18 are the unrevised figures representing only the receipts and payments passed through the books of the Finance Department up to the evening of March 31st, 1918. In his budget speech, Hon. A. K. Maclean, acting Minister of Finance, stated that when all the closing entries were made, the total revenue for the fiscal year would be \$258,000,000, and that customs collections would amount to \$146,000,000.

The above figures show that the proportion of revenue contributed by the customs has remained remarkably steady. For 1914-15 the percentage is 57; for 1915-16, it is 57; for 1916-17, it is 57½; and for 1917-18, based on the figures referred to in the budget speech, it is 56½. The sharp rise in customs revenue during the fiscal year ending March, 1916, was due largely to the general increase of 7½ per cent. in customs duties instituted at the outset of the war. This was operative only for a part of the preceding fiscal year; and, also, international trade, especially that carried on with overseas countries, was badly disorganized in the earlier months of the war. Then the further large increase in 1916-17 was due to the great expansion of our import trade, which arose from the phenomenal development of war industries. Dutiable imports in 1915-16, at \$289,000,000, were only \$10,000,000 greater than in 1914-15; but in 1916-17 the total of such imports had risen to \$461,000,000. Notwithstanding that the dutiable imports in 1917-18 rose further, to \$542,000,000 (the customs revenue showing an increase of \$12,000,000) the gains were made in the early months of the year; during the later months there was a declining tendency which has led to the belief that in the current fiscal year, 1918-19, the customs revenue will not show an increase over the preceding year.

All of the other items of revenue reported in the monthly statements of the Department show substantial development. Taking the excise duties, the total has risen from \$21,000,000 to \$27,000,000. However, in view of the recent important change in the status of the liquor traffic, it is to be expected that subsequent yearly statements will show a decline in the revenue from excise. With reference to the post office, the revenue has been developed from \$13,000,000 to over \$20,000,000; but in this case the expense or cost operating has also risen, and the Treasury perhaps does not derive a very large increase of net gain. Revenue from public works has more than doubled — the total rising from about \$13,000,000 to more than \$27,000,000. Under this heading the earnings from Government railways are placed; and if the operations of the extensive properties recently acquired, represented by the National Transcontinental and the Canadian Northern, by virtue of the rate increase, result in satisfactory net profits, this item may show increases. It will be taken as a most unsatisfactory development if the huge new investments and commitments of the Government in railway property do not produce any substantial returns.

In case of the remaining item — miscellaneous revenue — we find an example of remarkable development; and it is also to be observed that the new taxation proposals, as enunciated in last week's budget address will undoubtedly produce further important increases. One may easily see that this item is destined to take a much more important place in the list of revenue sources. At the beginning of the war it was at the bottom of the list. Now it ranks

next to the customs; and in the next two years, unless new headings are raised in the statement, its position relative to the customs is likely to be considerably improved. In 1914-15 the miscellaneous revenue represented 7¼ per cent. of the total; next year the percentage was but slightly higher, 7½; in 1916-17, as a result of the first application of excess profits taxation, the percentage rose to 12½; and in the year just ended, there was a further rise — to 13½ per cent. The revenue collected under this head in 1917-18 was 250 per cent. greater than in 1914-15.

Most of this increase resulted from the excess profits tax—Hon. Mr. Maclean stated that this tax gave \$21,200,000 during the past year. It would add to the value of the monthly statements of the Finance Department, which are now closely studied in all parts of the country, if a special heading were raised for the excess profits tax. Being such an important item it would be well to have the relative figures clearly set forth. Even though the impost is regarded as a war measure, to be discarded perhaps when peace returns or shortly afterwards, the business community would like to be informed in the regular official statements as to the revenue thus collected. Doubtless the Department intends to raise a new heading, in its monthly revenue statement, for the income tax. That will probably be a permanent impost; and in view of the direct manner in which it touches the pockets of the people it is advisable that full information be given. Collections under the old income tax will presumably commence next month; and the June statement of revenue should be importantly affected by them. It is worth noting that the income tax payments in June will come in opportunely for meeting the first half yearly coupon of the Victory Loan. Allowing for the large amounts of old bonds converted, the interest payable June 1st will approximate \$15,000,000.

It is as yet not known precisely what the income tax will yield in 1918, although the Government of-

ficials, from the returns now in hand, probably know how much to expect. These tax payments, constituting an entirely new source of revenue, as already mentioned will swell the figures of the current year — probably they will be sufficient to offset or more than offset any decrease that may occur in the customs collections. The changes now made in the income tax law will not affect the figures of 1918-19 revenue; as the increased taxes are to be applied to the taxpayers' 1918 incomes, and will presumably be payable in June, 1919. The 2 per cent. tax on incomes of single persons making from \$1,000 to \$1,500 per year, and on married persons making from \$2,000 to \$3,000 per year, along with the increased tax on large incomes and the increase of the corporation income tax, will undoubtedly mean a considerable enlargement of revenue next year; but, until the returns of the newly included small incomes are filed, the Government probably cannot estimate closely the amount of prospective increase.

Considerable new revenue will also be derived from the extension of the scope of the excess profits tax. The number of tax-paying firms and corporations will be multiplied by placing the exemption limit at \$25,000 capital instead of \$50,000 as heretofore, just as the number of income tax payers will be multiplied by the lowering of the exemption limit applying to individual incomes. On the other hand some of the large corporations which contributed heavily last year may pay less this year and next, owing to decreasing profits. The other special imposts provided for in the budget will all contribute their share of revenue, and some of them will doubtless yield fairly large amounts. Among these stands out prominently the special war excise tax of 10 per cent. on automobiles, jewellery, gramophones, piano and organ players and records. No one knows as yet how much revenue will be collected by means of this impost. Also unknown is the effect that will be produced upon the spendings of the people. If this tax produces good results, perhaps the Government will be moved later to extend its scope so as to include other non-essential articles. On general principles it certainly seems wise to tax expenditures, especially unnecessary expenditures, and in that way discriminate to a certain extent in favor of the individuals who are severely curtailing their expenditures upon non-essentials and so saving more money for investment in war bonds.

AMOUNTS MARRIED PERSONS WILL BE TAXED.

The following table shows the effect of the proposed income tax amendments, payable by married persons:

Income.	Present tax.	Proposed tax.
\$ 3,000	nil	20
5,000	120	140
10,000	360	392
20,000	1,260	1,382
30,000	2,460	2,707
50,000	5,260	5,782
75,000	10,010	11,007
100,000	14,760	17,607
200,000	43,760	50,957
400,000	101,760	142,757
600,000	130,700	195,407

COMPARISON OF CANADA WITH U. S.

Income.	Canada.		United States.	
	Mar'd pers. present tax.	Mar'd pers. proposed tax.	Mar'd pers. tax.	Mar'd pers. tax.
\$ 3,000	nil	20	20	20
6,000	120	140	130	130
10,000	360	392	355	355
20,000	1,260	1,382	1,180	1,180
30,000	2,460	2,702	2,380	2,380
50,000	5,260	5,782	5,180	5,180
75,000	10,010	11,007	9,930	9,930
100,000	14,760	17,607	16,180	16,180
200,000	43,760	50,957	49,180	49,180
400,000	101,760	142,757	142,680	142,680
500,000	130,760	195,407	192,680	192,680
600,000	159,760	248,057	246,680	246,680
800,000	217,760	366,857	357,180	357,180
1,000,000	275,760	499,157	475,180	475,180
2,000,000	665,760	1,228,157	1,180,180	1,180,180

HOW INCOME TAX AFFECTS THE UNMARRIED.

One phase of the new taxation proposals which caused considerable interest, especially amongst bachelors and spinsters, was as to how they would be affected. Here is a table showing the present taxation and the new taxation:

Income.	Present Tax.	New Tax.
\$ 1,000	exempt	exempt
1,100	exempt	\$ 2.00
1,200	exempt	4.00
1,300	exempt	6.00
1,400	exempt	8.00
1,500	exempt	10.00
1,600	\$ 4.00	14.00
1,700	8.00	18.00
1,800	12.00	22.00
1,900	16.00	26.00
2,000	20.00	30.00
3,000	60.00	70.00
4,000	100.00	110.00
5,000	140.00	150.00
6,000	180.00	190.00
7,000	240.00	262.50
*8,000	300.00	325.50
*9,000	360.00	388.50
*10,000	420.00	451.50

*—Including super tax.

BRITISH FIRE LOSSES.

"The cost of the principal fire losses in the United Kingdom during March," says the London Times, "may be estimated at £337,400, which compares with losses of £297,700 in February last and £354,600 in March of last year. The total losses for the last quarter amount to £1,017,600, as against £1,283,400 in the first quarter of 1917. Only fires are taken into account in which the damage amounted to £1000 or more."

The Budget

Fifty Million Increased Taxation — Higher Taxes on Large Incomes — Exemptions for Children — Increase on Tobaccos — Taxes on Tea, Coffee and Automobiles.

In the House of Commons at Ottawa on Tuesday last Hon. A. K. Maclean, delivered the budget speech in the absence of Sir Thomas White, Minister of Finance. After expressing regret for the absence of Sir Thomas and intimating that the Minister was expected to return to duty shortly, Mr. Maclean reviewed the financial situation. Mr. Maclean said that for the fiscal year ending March 31st, the revenue will reach, when all accounts are closed, \$258,000,000, exceeding the revenue of the preceding year by \$26,000,000. Customs will yield \$146,000,000, and excise \$27,000,000, while other taxations will bring in \$25,000,000. Of this latter amount the business profits war tax yield \$21,271,283; banks, \$836,724; insurance companies, \$283,127; trust and loan companies, \$267,517; inland revenue from railways, steamships, telegraph and cable companies, stamps, etc., \$2,229,932; a grand total of almost \$25,000,000.

Ordinary expenditure for the fiscal year 1917-18 Mr. Maclean estimated at \$173,000,000, inclusive of \$45,000,000 for interest, and \$7,000,000 for pensions, or \$22,000,000 altogether. Prior to the war, the outlay on interest was but \$12,000,000, and the expenditure for pensions had not yet begun. The ordinary expenditure also included the sums of \$25,000,000 and \$7,500,000 voted on account of the C. N. R. and G. T. P. railways. For capital outlays an expenditure of \$30,000,000 is estimated, making the outlay of Canada for all purposes apart from the war, during the past fiscal year, \$203,000,000. With a revenue of \$258,000,000, the Government had a favorable balance or surplus of about \$55,000,000 to apply to war expenditures.

PRESENT FISCAL YEAR.

Coming to the present fiscal year, Mr. Maclean said that apart from increased interest caused by our war borrowing and the amount required for pensions, substantial reductions have been made in the estimates of practically all the services.

"I anticipate," said Mr. Maclean, "that actual expenditures will be well below the amounts voted. These deductions, however, are more than offset by the additional sums needed for interest and pensions for the current year over the past year, and which excess I estimate at \$25,000,000, so that ordinary expenditure will increase materially over that of the previous year. Substantial disbursements will be necessary in connection with the soldiers' land settlement programme, and in connection with the Halifax disaster. The capital expenditure vote has been materially cut. It is estimated that for the present fiscal year, we shall be able to pay our ordinary and capital expenditure out of our revenue and have, as in the past two years, an appreciable sum over which we can apply to war purposes. The unexpected balance of the Victory Loan will finance our war expenditures and advances to the Imperial Government until July next, when treasury bills will be temporarily negotiated until the proceeds of the next public loan are available."

Mr. Maclean announced that in the fourth year of the war, Canada's expenditure on war account will approximate \$345,000,000, of which \$167,000,000 was expended in Canada, while the balance, \$178,000,000, represents our war expenditure overseas. Up to March 1st, 1917, we had expended for war purposes \$533,437,036, so that on March 31st, 1918, our total outlay for war was approximately \$878,000,000. The amount does not include any pay due but not yet paid to the troops overseas. During the past few years the Government has applied to war expenditure surpluses of revenue over ordinary and capital outlays amounting to \$113,000,000, and interest and pension payments attributable to war and covering the entire war period approximately about \$75,000,000.

NET DEBT OVER BILLION.

Mr. Maclean then stated that the net debt of Canada, which before the war stood at about \$336,000,000, has now passed the billion dollar mark, and when the accounts for the past fiscal year are closed it will reach approximately \$1,200,000,000. The increase, he said, is almost entirely attributable to war expenditure.

TRADE FIGURES.

Coming to trade, the Minister said that our exports as the war progressed are showing a greater increase over our imports. In 1913 imports exceeded exports by nearly \$300,000,000. This condition has been so completely reversed that the exports exceed

the imports by about \$625,000,000, and our total trade, which passed the billion mark in 1913, exceeded the 2½ billion mark in 1918. The increase, he said, is largely attributable to war conditions. Last year our exports to Great Britain were about \$860,000,000, while our imports amounted to \$81,000,000. Our exports to the United States reached the sum of \$440,000,000, while our imports amounted to \$790,000,000.

IMMIGRATION.

Mr. Maclean informed the House that in the past three years, immigration had reached a total of 202,985, despite the war. Of this total number, 96,640 came from the United States and 20,124 from the British Isles. An important factor in connection with this immigration is that it is very largely composed of experienced farmers.

EXCHANGE SITUATION.

Referring to the question of exchange, Mr. Maclean said that this had become an acute problem in Canada. The high rate which has prevailed on remittances of funds to the United States has imposed a severe tax upon importers and the public, and if it continues, must diminish imports or add to their cost. Were we able to sell securities in the United States the rates of exchange might have been adjusted or normalized, but Canadians were not permitted to do so. The Government did not require, during the present year, to borrow in the United States, even if it were permitted to do so, and consequently by such an operation to correct the exchange situation.

"To redress the adverse rate of exchange with the United States," said Mr. Maclean, "we must lessen our imports from that country, or the United States must buy more from us, or we must sell securities across the border to the extent of a very substantial proportion of our adverse trade balance. The Government has been very diligent in its endeavors to bring about such financial arrangements with the governments of Great Britain and the United States as would materially relieve our people of the burden of the present high rates of exchange. I hope that very shortly we shall be in a position to announce the successful conclusion of negotiations which have in view this end. In connection with the exchange problem, it might be of interest to state that for the first three months of this calendar year, our imports from the United States have decreased below that of the corresponding period of last year by over \$36,000,000, while our exports have increased in the same comparative period by about \$20,000,000."

\$980,000,000 NEEDED FOR PRESENT YEAR.

After dealing at length with the Victory War Loan and trade conditions, the Minister referred to the commitments of the Government for the present year. There would be required, he said, for civil budget \$230,000,000; for war expenditure \$425,000,000; for advances to the Imperial Government for financing in part our export trade with Great Britain, \$325,000,000. In all \$980,000,000 would be required. To discharge this there will be revenue \$270,000,000, advances by Great Britain to pay for maintenance of Canadian troops overseas, about \$300,000,000, unexpended balance of Victory Loan \$130,000,000; making a total of \$700,000,000. This would leave a probable balance of \$280,000,000 to be provided from loans in Canada or elsewhere, if possible. This is not inclusive of commitments for expenditure on account of the purchase of railway equipment and Canadian Northern securities. "The latter," said Mr. Maclean, "we hope to extend upon small payments of principal under powers which we are seeking of Parliament this year; and the railway equipment, it is expected will be financed largely by the issue and sale of equipment securities."

Mr. Maclean urged the necessity of the cutting out of luxuries and the exercise of saving in order that the people might be able to purchase further issues of Government bonds which would have to be made at no distant day.

FINANCING WAR AND TRADE.

In considering more in detail the matter of financing the war and trade, the Minister said that there is a very direct connection between our domestic loans and the financing of our war operations, and also with our productions and our overseas export trade. All are acquainted with the fact, he said, that the war has disturbed the natural currents of trade, rendering impossible the settlement of inter-

national trading accounts in the normal manner. Prior to the war, Canada had a favorable trade balance with Great Britain, but this had changed. Circumstances had compelled Great Britain to purchase heavily of war supplies and foodstuffs on this side of the Atlantic. Great Britain has become chiefly a purchasing nation and is no longer a loaning, but a borrowing country. In 1917-18 we had a favorable merchandise trade with Great Britain of about \$790,000,000; while with the United States it was unfavorable to the extent of \$350,000,000. Normally, we would settle our unfavorable American trade balances with the monies receivable from Great Britain for her liberal purchases of our high-priced commodities. However, owing to the enormous purchases Great Britain was obliged to make for herself, and some of her Allies, and so great had been the drain upon her liquid resources in the first three years of the war, that in July last she was obliged to secure loans or dollar credits, for her Canadian purchases, otherwise she would be obliged to practically cease purchasing here. In that event, commercial disaster would have overtaken Canada, and we would have had difficulty in financing our war expenditures.

It was therefore important, said Mr. Maclean, that immediate action be taken to meet this new condition of affairs in order that our industries and our artisans might be employed, that our agriculturists be afforded an export market, and encouraged to produce, and that all our people might be paid for their exportable productions, which was, of course, of vital importance to all classes of people. Arrangements were consummated whereby the Government of Canada agreed to make advances to Great Britain at the rate of \$25,000,000 per month, in order that she might purchase, in Canada, such of our products as she needed, and which we had to sell. In fact, advances for cheese and meat products in excess of the agreement were made last week. In addition, and for the same purposes, the Canadian banks agreed to make advances to the British Government, and altogether, up to this date, have advanced \$200,000,000 on the security of Imperial Treasury bills. Further, the Government of the United States last year agreed to establish credits for British purposes in Canada. These arrangements are still effective, and are likely to continue throughout the year. In a word, the Government of Canada and the Canadian banks have been granting credits for Great Britain's purchases in Canada in substantial amounts since mid-summer of 1917. Otherwise, our overseas trade would have been seriously handicapped. I must point out, however, that while the British Government has thus been making advances to assist in the payment of British purchases in Canada, Great Britain has been paying for Canada the upkeep of her troops in Great Britain and France, and sundry Government accounts. These payments by the Imperial Government for Canada have been to date \$100,000,000 less than the payments made for Great Britain by the Canadian Government, and there is that amount to our credit in this open account to-day. This is strictly the Government's financial position in respect to war and trade for this year.

DIFFICULTIES TO BE MET.

The exact position of the people of the country, apart from the Government, is surrounded with difficulties. They must meet an adverse balance of merchandise trade with the United States and also the principal and interest of maturities there. They must, as well, pay for imports from Great Britain, which last year amounted to \$81,000,000, notwithstanding we are the creditor company, and we must pay the interest owed by our people to people in Great Britain, and which amounts to about \$135,000,000 annually. The combined commitments of the Government and the people are therefore abnormal, and substantial, by reason of the conditions I have outlined. Relatively, our position during the whole of the last fiscal year was less onerous than it is at present. In the early part of 1917, Great Britain was able to pay for some of her purchases, and, in addition, Canada was permitted to borrow money from the United States to the extent of \$185,000,000, which assisted in reducing our adverse balance with that country. In 1918, as far as one knows at present, we are prohibited from selling securities of any kind in the United States, and to that extent we are at a disadvantage this year in the settlement of our American purchases, and, of course, Great Britain is unable to pay directly for any importation of her Canadian purchases.

The experience of all nations during the war teaches us that all problems later change as we approach them. We may yet, during the present year, be per-

(Continued on Page 19.)

Conditions in the West

By E. CORA HIND.

Winnipeg, May 2.

The weather for the week has been favorable to the progress of seeding. There continues to be occasional frosts at night and some of the early wheat has been nipped in places, but on the whole conditions are good and there has been a very considerable amount of rain in districts which needed it badly and the rain was followed by warmer weather. The next Free Press copy report is due Tuesday, and is expected to furnish more complete returns as to acreages in seed. The rains which have fallen have been especially helpful in making prairie sod in fine shape for breaking.

TRACTORS.

The Ford people report that about every 10th machine in the first 2,000 Fordson tractors had been tampered with at the factory and while the damage is one that can be repaired in a few days the loss of time is most vexatious at a season when hours count. The finding of the damage has necessitated the closest possible inspection of each machine. The attempt to ball out tractors has not been confined to the Fordson, recently a carload of Galloway tractors were put out of business, presumably while standing on a siding. So far it does not appear as if military authorities on either side of the line were very successful in rounding up this special form of alien enemy activity any more than they seem able to stop the burning of munition plants and food stores.

IDLERS.

The "idleness a crime" law is now being very actively enforced in the West and with fairly good results though the permanency of employment on the part of some of the newly launched workers is not very well established. However, the moral effect of it being a crime to be on the streets without a job is good and a very considerable number of our foreign friends have decided that better is a farm job and \$50 to \$60 per month than the inside of a gaol.

There was a strike on of city employees to-day, and further departments threatening to go out and the Chief of Police stated that he would employ the new law on the strikers if they are out more than two or three days without resorting to arbitration of their difficulties. If this action were taken it would put an entirely new phase on strikes as it will prevent picketing.

Speaking of the strike the electricians in the city employ were the first to go out. They had asked for a heavy increase in wages owing to the increased cost of living. The city offered a system of bonuses until war was over. The bonuses in many cases would have amounted to more than the percentage of increase asked for, but the employees refused this concession declaring that it was wrong in principle. Both sides are very determined. The officials of the various departments actually affected or threatened, declare that they can get along without the strikers for a time, and recommend that if they do not return to work within the next 24 hours that they be permanently discharged from the city service. The only really serious feature is the possibility that the fire alarm operators may go out. The numbers are small but they are technical experts, and it would be exceedingly difficult to fill their places, and their absence might well furnish an excellent opportunity for alien enemies to get in their fine work. Winnipeg owns its own lighting and power plant and water supply. The street car system will not be effected being owned by a private company and having a separate power supply. At a late hour tonight the strikers agreed to arbitrate.

JITNEYS GO.

Jitneys have ceased running in the city. There is a general feeling among citizens that the council and board of control have bungled the matter with the street railway very badly. Jitneys would never have come into general use had the street car company not failed to give anything like adequate service.

It would be bad for Winnipeg to have the street railway fail, but at the same time citizens feel that the attitude should have been one of insisting on service being supplied before the jitneys were taken off. There are liberal promises of motor buses on streets without car service, but so far the buses are promises only and at rush hours the service is abominable. Certain sections of the city have filled up very rapidly and there are literally thousands of people residing within the prescribed distance for railway. The citizens are likely to give the council

and board of control a very emphatic expression of opinion on the conduct of this business at the next election.

The very sensible proposal that was made by one alderman, that an independent committee investigate the whole question of transportation in the city before consenting to the doing away with the jitneys, was voted down.

FLOUR HOGS.

The returns from the various mills, which are now practically complete, show that in the period between the announcement that a standard flour would be made and the coming into force of the order, practically 200,000 over and above the sales of the corresponding period of 1917 had been bought in the Canadian West.

The Flour Hogs are being asked to disgorge, but so far are showing no disposition to do so. Probably nothing short of a domiciliary visit on the part of the mounted police will effect any returns in the country districts. Dealers are showing remarkable difficulty in remembering who bought large quantities of flour. It was a fatal mistake on the part of the Food Control Board, to announce the Standard flour even a day before they could put it in force.

It has developed that there is considerable hoarding of wheat also by alien enemy communities in the West. Some of these communities have portions of 1915 crop still in their possession and up to the present the Board of Food Control does not seem to have been provided with any adequate powers for getting hold of this grain. Why it cannot be seized under the "defence of the realm act" is not very clear to the lay mind?

CORNMEAL.

Another matter that should receive the immediate attention of the Food Control Board and the Government is that of bringing in substitutes for wheat flour. This work should not be left to the ordinary trader who gets discouraged with the red tape of licenses and embargoes. The United States, now that she is in the war, has shown a desire to be as helpful as possible in the matter of supplying food to the Allies. A short time ago it was stated, officially from Washington, that a large part of the corn promised to Great Britain had not been got over for lack of ships, and that it could not be sent now owing to the season. There is, therefore, every reason to believe that the United States can, without stinting herself, supply Canada with a large amount of corn or cornmeal to be used in place of wheat flour, permitting the latter to go overseas. This cornmeal should be secured by the Government and made available at every point in the country and bakers in cities should be ordered to use a certain percentage in their bread. In the West to-day certain hotels and institutions that bake their own bread are using a 45 per cent. mixture of cornmeal and turning out a light and most palatable bread, and there is no reason why the bakers should not do the same. A 45 per cent. saving of standard flour in all the bakeries of Canada would be a very material amount, but it is no use asking bakers or housewives either to substitute unless the substitute is within reach.

The steadily declining price of oats would seem to indicate that there is a larger supply of oats in the country than was anticipated, and if this is correct it should furnish another material to substitute for wheat flour. Winnipeg is fairly well supplied with rye flour, but there is not sufficient for general consumption in the country so that any ordering of rye flour for general use as a substitute for wheat flour is out of the question.

Mentioned in Despatches

MR. W. R. DAVIDSON, who has been made General Superintendent of Eastern lines to the Grand Trunk began his career as train master; later served as superintendent in London, Ontario, and then held the same position in Detroit.

S. K. RATCLIFFE, of the Manchester Guardian, who addressed the Canadian Club on Monday, has had a very distinguished career as a journalist, lecturer and sociological worker. He has been in turn honorary secretary of the Sociological Society and Editor of the Sociological Review, Editor of The Echo, and acting Editor of The Statesman, of Calcutta, before joining the staff of the Manchester Guardian. He was born in England in 1868.

SIR WILLIAM WEIR who now heads the British Air Service in succession to Lord Rothermere has been Director General of Aircraft production for some little time. Under his management the production of aeroplanes has enormously increased and it is safe to assume that he will give a good account of himself as head of the service. Before going into aeronautical service, he was director of munitions for Scotland. Sir William was born in 1877.

J. W. RUGGLES, who has been elected Director, Secretary and Vice-President of the Standard Chemical Iron and Lumber Co., was formerly connected with the Bank of Nova Scotia. He left the bank to manage the Montreal office of the Dominion Bond Co., and after that company's affairs were wound up joined the Standard Chemical Co., and now becomes one of the leading officials of the company. Mr. Ruggles is a native of Nova Scotia.

DR. SIDION PAYES.—Portugal which has had a considerable number of Presidents since the country became a republic has just had a new one elected in the person of Dr. Sidion Payes, formerly Premier and Foreign Minister. Last December Dr. Payes headed a revolution which resulted in the overthrow of the Costa Administration. At that time Payes was made Provincial President and now is confirmed in office by a popular vote of the people. He was one of the most prominent men in Portugal, being at one time Minister of Public Works and later Portuguese Ambassador at Berlin.

MR. HOWARD J. T. FALK.—A new department has been established at McGill and Mr. Howard J. T. Falk, of Winnipeg, has been placed in charge. The department is known as the "Social Service." Mr. Falk is one of the best known residents of Winnipeg, and has been doing very affective work in connection with social service in the Western Metropolis.

MR. C. G. BOWKER, who has just been appointed General Superintendent of the Grand Trunk Lines in Ontario has had thirty years experience in railroad work, starting his career as a telegraph operator. In turn Mr. Bowker has been train dispatcher, train master and superintendent. For the last four years he has been General Superintendent of eastern lines and now goes to Ontario.

MR. GEORGE WEGENAST, Managing Director of the Mutual Life Assurance Company of Canada, died at Waterloo a few days ago. Mr. Wegenast was one of the ablest and best known insurance men in the Dominion. He was a past president of the Life Insurance Officers' Association of Canada, and a member of the Actuarial Society of America. He was born at Waterloo in 1860.

GENERAL DELMA RAFFCLIFFE, who has succeeded General Maurice as director of Military Operations has a lengthy military career. Like his predecessor in office, one of his duties will consist in giving a weekly interview to the press. In the early days of the war a policy of secrecy was adopted, but under General Maurice the weekly interviews have become an important feature. This will be continued under General Raffcliffe.

MR. F. P. GLASS who has been re-elected President of the American Newspaper Publishers Association comes from Alabama, but like a great many Southerners was educated at Princeton University. After graduation he went into newspaper work gradually extending his field of operations until a few years ago he became Editor-in-Chief of the Birmingham News. He is regarded as one of the most progressive and wide-awake newspaper men in the United States, and in addition to his own qualifications has a big "pull" with the President who is a close personal friend.

Public Opinion

REAL CONSERVATION.

The limit of conservation seems to be reached by the Western hotel that puts this on its bill of fare: "Save your toothpick."

THE EXTRA HOUR OF DAYLIGHT.

(Woodstock Sentinel Review.)

So far that extra hour of daylight does not seem hard to take. In a little while we may all be wondering why we neglected it so long.

AN 'ARD BOILED 'AIG.

(Buffalo Commercial.)

The Germans by this time probably consider General Haig a tough nut to crack, or perhaps an 'ard boiled 'aig.

MR. CRERAR'S TASK.

(Windsor Record.)

Canada's wheat production last year was 225,000,000 bushels. This year the estimated requirement is 400,000,000 bushels. We shall have to go some to do it.

ORGANIZATION, NOT COERCION.

(London Free Press.)

Conscription is not coercion. Conscription is organized co-operation. It would be as proper to speak of taxation for the upkeep of the country as coercion. Men with red blood are conscripted under the voluntary system as under any other system when their country is in danger, because their sense of manhood impels them to enlist against the foreign invader.

SIR DOUGLAS HAIG'S HEIR.

(Westminster Gazette.)

The birth of a son and heir to Sir Douglas Haig fulfils for another generation the old prophecy concerning the duration of the famous family from which the field marshal derives:

"Tide, tide, what're betide,

They'll aye be Haigs in Bernersyde."

Sang Thomas, the Rhymer, and, sure enough, the lands and barony have been in the unbroken lineal possession of the family since the days of Malcolm IV.

A MATRIMONIAL PRIZE.

(Los Angeles Times.)

A young man who, during his brief career, had never been required to do very much labor at home, enlisted for the present war, and is now in a training camp "Somewhere in America." A few days ago his mother received a letter from him in which he said that he had never worked so hard in his life, and that he had been doing kitchen work, making beds, washing and drying dishes, etc., and that when he returned from the war he would make some fellow in California the very best wife there ever was.

THE IRISHMEN'S CASE.

(New York Times.)

If Englishmen must give up their lives to save everything that is essential and sacred to the national life, no part of the Empire will be permitted to shirk its duty. Loyal Irishmen are no shirkers. They have done splendid service at the front, where their blood has mingled with the blood that has flowed from the veins of Englishmen, Scotchmen, Canadians, Australians, and New Zealanders. Only the irreconcilables in Ireland talk resistances. They forget that if Germany were the master of their destiny, that Germany so many of them here treasonably conspired to aid, they would be scourged into the ranks and no bones made about it.

MORE SCRAPS OF PAPER.

(Christian Science Monitor.)

Scraps of paper seem to persist in playing a more or less prominent role in German life. The wheels of motor vehicles, also trousers, and women's clothes are said to be constructed of paper in the Fatherland. Paper linen, the Germans declare, is excellent; it will wash without injury to the fabric. It would be interesting to know whether the hats which the Germans are said to be exporting to Holland are of the same material. A correspondent declares that these are stamped "Made in England." But it looks as if the only kind of hat which the Dutch will require might be the metal one which has been "made in England" for both the British and United States troops.

COPYING CANADA.

(Windsor Record.)

Canadians will read with genuine pleasure and justifiable pride that England has adopted women's institutes. The inspiration came from Canada and the English organizations are to be conducted along the same lines as their Canadian prototypes. The first institute was established in 1915 at Anglesey and from the very first the plan succeeded.

NO ROOM FOR THE IDLER.

(Spokane, Wash., Chronicle.)

More and more is the war bringing home to Americans the fact that in a true democracy there should be no wide distinction between classes — that the mere possession of money does not relieve any man from the responsibility of good citizenship. It is being forcibly pointed out that idleness, in war time at least, is a national sin. With man-power and woman-power likely to be the factors that make victory or defeat, America cannot afford to permit any person's time to be wasted. The New York Legislature has passed an Anti-Loafing Bill. The Governor has signed it, and the sheriff of Manhattan says it will be enforced to the letter. It provides an example every state in the Union might profit by following.

THE MODERN EDITOR.

(Tamarora, Idaho, Bugle.)

It takes a hustler for the newspaper business in this locality just now, but The Bugle is equal to the emergency. We can write a poem, discuss the tariff, umpire a ball game, report a wedding, saw wood, beat a lawyer, describe a fire so that the readers will shed their wraps, make a dollar do the work of ten, shine at a soiree, address a horticultural society, measure calico, abuse the liquor habit, test whiskey, subscribe to charity, go without meals, attack the free silver, defend bimetalism, sneer at snobbery, wear diamonds, invent advertisements, overlook scandal, praise babies, delight pumpkin raisers, minister to the afflicted, heal the disgruntled, fight to a finish, set type, mold opinion, sweep the office, praise the widows, run for office, speak at prayer meeting, and stand in with everybody and everything.

POSTERITY WILL ANSWER HIM.

(New York Times.)

We must assume that for twenty-five years Kaiser Wilhelm had not been planning this blow at the peace of the world; that he had not been building up his army and creating his navy and taking advantage of every incident, from Agadir to Adrianople, to force the domination of the world by Germany. He did not approve, he disapproved, he must have disapproved, the seizure of Bosnia and Herzegovina in 1908, the stirring up of Bulgaria and Serbia against each other in 1913, and all the other steps that led inevitably down the road to this war. He did every thing he could to prevent them. It must be so. And he failed. Now, with a clear conscience, he can ask posterity, by way of the correspondent of the Lokai-Anzeiger, "What have I not done to preserve the world from these horrors?" And there is one point on which he need have no doubt — posterity will answer him.

GERMAN VERACITY.

(Buffalo Commercial.)

For once the British were first in announcing a naval engagement with the Huns; so it happens that the German official statement, when it finally has been concocted and sent out, is so absurd a lie that it raises a shout of laughter.

What our English allies did was to surprise the Germans at their submarine bases on the Belgian coast, destroy their guns and ammunition dumps and block the harbor exits with five antiquated vessels chosen for that purpose.

What Berlin says of the successful enterprise is this: "The German admiralty announces that in addition to the five British cruisers sunk near the coast, three destroyers and a number of motor boats were sunk by the fire of coast batteries."

The Berlin statement is correct with these exceptions: The five cruisers, filled with concrete, were sunk by the British to block the channel, the destroyers sunk were German ones, and it was the coast batteries, not the motor boats, which were destroyed. Otherwise, the German admiralty is perfectly honest in its statement.

SWALLOW OR STRANGLE.

(Boston Globe.)

Once in a while a deep sea fisherman draws up in his net a fish that has choked to death in trying to swallow a smaller one. The reason why Germany is now launching her divisions in attacks of desperate fury is because she, the big military fish of the world ocean, has at last bitten off more than she can chew and has become aware of it. She sees that her alternative is to swallow or strangle.

Germany could easily swallow such little fish as Belgium and Serbia and Roumania. She has found a way to swallow great Russia by breaking Russia up into pieces and swallowing one at a time. Last fall she threatened to swallow Italy, and just failed. But, wherever she turns and whatever she does, there are still sticking in her throat France and Britain and the United States.

History is full of military conquerors who bit off more than they could chew. Hannibal never, quite chewed up the Roman army. The Crusaders could not chew the Saracens. But the crowning example of an appetite that outran digestion was Napoleon.

The masters of Germany are drawing upon their last reserves, their final resources, to crush the British army and dispose of this greatest enemy before the United States has come to full force. But the masters of Germany are only treading Napoleon's trail.

ADVERTISING PAYS.

(American Lumberman.)

When times are good, when commodities sell with ease, or when there is such a situation that a company or an industry has no competitors to fear there is a tendency to belittle the need of advertising. Therein lies the danger for the contented. Many old established industries that have not believed in advertising have been undermined by infant, yet well advertised, industries.

To be effective advertising must be kept up, whether the company advertising has anything to sell or not. A case in point is that when the recent sugar shortage was most acute the largest distributor of refined sugar launched a big advertising campaign. It had no sugar to sell, but it wanted to keep its prestige. There is an even better reason, however, for heavy advertising in times when orders are more plentiful than goods to fill them. Suppose a lumber company without advertising at present is able to get two inquiries for every car of lumber it can ship, but that by advertising it can get six or eight inquiries for each car it produces. The increased number of inquiries developed as a result of this advertising makes it possible for the company to select the very best orders at the best prices and largely increases its gross business and its net income. Instead of two orders and possibly two ranges of price to select from the company may have six or eight orders and an equal number of price ranges to select from. Is that not worth advertising for? Milk is good — but cream is much better.

TIME—THE INVALUABLE FACTOR.

(New Haven, Conn., Register.)

Time has been reckoned as of inestimable value in warfare since the earliest days. Now once again that realization comes home to the people of this day in this country. Hannibal in his Punic campaigns was the first great general on record to mention the element in warfare. Napoleon was asked by one of his generals what he most desired. His answer was: "That which none of you are able to give me—time. With time, I can do anything." On July 3, 1862, Abraham Lincoln wrote to the Governor of Maine: "If I had 50,000 additional troops here now, I believe I could substantially close the war in two weeks. But time is everything, and if I get 50,000 new men in a month, I shall have lost 20,000 old ones during the same month, having gained only 30,000 with the difference between old and new troops still against me. The quicker you send the fewer you will have to send." "Time is everything." How familiar that last phrase sounds: "Time is everything. The quicker you send the fewer you will have to send," might have been spoken yesterday. It is the cry of Lloyd George. It is the cry of Foch. It is the cry of the Allies' armies in the field. Haig insists on the necessity for haste. Lincoln insists that time is everything. Napoleon, greatest of generals, knew the one thing no human power could give him to win his battles. Hannibal, bewailing the slowness of his troops on their way from Carthage, realized the absolute dependence upon time which war necessitates. Had this country been able to send 2,000,000 troops to Europe the day we entered the war and were they were now — once more "Time is everything."

AMONG THE COMPANIES

FAILURES LAST WEEK.

Commercial failures last week, as reported by R. G. Dun & Co., in Canada numbered 15, against 19 the previous week, 11 the preceding week, and 25 last year. Of failures last week in the United States 77 were in the East, 43 South, 53 West, and 24 in the Pacific States, and 69 reported liabilities of \$5,000 or more, against 65 the previous week.

BROMPTON PULP & PAPER CO.

The Brompton Pulp and Paper Co. has acquired control of a third American Concern, the Howland Pulp and Paper Co., of Howland, Maine. The Brompton company also control the Claremont Paper Co. of Claremont, N.H., and the Wyman, Flint & Sons Co., of Bellows Falls, Vermont. The Howland Company has an output of 50 tons of sulphite bag paper.

TORONTO RAILWAY CO.

The January earnings statement of the Toronto Railway Company and its subsidiaries showed a net improvement of \$6,861 as compared with January of 1917. Gross earnings of \$1,068,319 showed an improvement of \$65,850, but working expenses and other charges, amounting to \$590,657, were higher by \$68,989. Following are comparative figures:

	1918.	1917.	Change.
Gross	\$1,068,319	\$1,002,469	\$65,850
Exp.	590,657	531,668	58,989
Net	477,662	470,801	6,861

WINNIPEG STREET RAILWAY CO.

The Winnipeg Street Railway Company apparently has settled its differences with the city of Winnipeg and also with its employees. The Street Railway Company will pay immediately \$105,000 due on 1917 percentages to the city. The company has engaged an expert engineer to install the Ganz System for protection of the service mains against electrolysis. It also is pledged to put into effect other measures by which it will carry out its contract with the city.

The demands of motormen and conductors in the service of the Street Railway have been granted, aggregating over \$82,000 a year.

CHANGES IN C. P. R. DIVISIONS.

W. Purvis, general superintendent of the C. P. R., announces the following divisional changes in the road:

John Boyle, formerly superintendent of Farnham division, is transferred as superintendent of Brownsville division, Brownsville, Maine. The division comprises 412 miles, and embraces Megantic to St. John, N.B., including terminals at St. John, also Fredericton branch. Mr. Boyle entered the service in 1888, in the train department.

J. E. Blair is appointed superintendent at Farnham, with office at Farnham, in place of Mr. Boyle. This division is 401 miles in extent, and embraces Montreal to Megantic; Farnham to Newport; Farnham to St. Guillaume; Farnham to Stanbridge; also Drummondville branch. Mr. Blair entered the service in 1914, as yardmaster. He became superintendent in 1915.

H. J. Humphrey is appointed superintendent of Laurentian division, with office at Montreal, in place of W. Tansley, transferred. This division is 52 miles in extent, and embraces Montreal to Ottawa, via North Shore; Montreal to Mount Laurier-Ste. Agathe; Montreal to Quebec, and all branches. Mr. Humphrey entered the service in 1912 as operator.

Recently, when Winnipeg had its drive to add to the funds for disposal by the Canadian Red Cross, each of the Railway Companies with general offices in that city organized its own campaign for collection. The subscriptions by employees of the Canadian Northern alone totalled \$9,828.60.

ILLINOIS TRACTION CO.

Gross earnings of the Illinois Traction Company for the month of March totalled \$1,214,044, as compared with \$1,089,544 for the corresponding month last year.

NEW COMPANIES.

The following new companies are announced in the various gazettes:—

FEDERAL CHARTERS.

Beaver Stamping Co., Ltd., Walkerville, \$40,000.
 Joliette Tobacco Co., Ltd., Joliette, \$50,000.
 Canadian Granton & Knight, Ltd., Montreal, \$100,000.
 Smith & Travers Co., Limited, Sudbury, \$500,000.
 The Hurlbut Co., Ltd., Preston, \$150,000.
 Canadian Toys, Ltd., Hamilton, \$100,000.
 Canada Oriental Trading Co., Ltd., Montreal, \$50,000.
 Dodd Heating System, Limited, Toronto, \$100,000.

QUEBEC CHARTERS.

La Compagnie Medico-Dentaire, Ltd., Montreal, \$25,000.
 The Broadway Amusement Co., Ltd., Montreal, \$20,000.
 P. B. Lamarre, Ltd., Montreal, \$9,000.
 The Canadian Adjustment Bureau, Inc., Montreal, \$20,000.
 Visitation Island Land Holding Co., Inc., Montreal, \$70,000.

ONTARIO CHARTERS.

Canadian Standard Products, Ltd., St. Catharines, \$100,000.
 Colorado-Ontario Development Co., Ltd., Toronto, \$40,000.
 Dress Essentials, Ltd., Toronto, \$40,000.
 Highgate Milling Co., Ltd., Highgate, \$80,000.
 James & Smith, Ltd., Toronto, \$40,000.
 Kitchener Furniture Co., Ltd., Kitchener, \$40,000.
 Lincoln County Greater Production Co., Ltd., St. Catharines, \$25,000.
 John Raper Piano Co., Ltd., Ottawa, \$1,000,000.

ALBERTA CHARTERS.

Rossum's, Ltd., Edmonton, \$15,000.
 Ideal Well Casing Co., Ltd., Calgary, \$10,000.
 Vanhorn & Stebbins, Limited, Claresholm, \$25,000.
 Whyte & Orr, Ltd., Daysland, \$100,000.
 Blenner-Hasset Hourigan, Limited, Taber, \$30,000.
 R. Moel Hammond, Ltd., Edmonton, \$20,000.
 Camrose Exhibition Association, Limited, Camrose, \$10,000.
 Pilling Land Co., Ltd., Lethbridge, \$10,000.
 Kinetic Development Co., Ltd., Edmonton, \$20,000.
 Irma Development Co., Ltd., Irma, \$20,000.
 Red Dairy Products, Ltd., Red Deer, \$20,000.
 Jack Thompson Co., Limited, High River, \$50,000.
 Coronation Development Co., Ltd., Calgary, \$20,000.
 Merchants' Brewers, Limited, Edmonton, \$20,000.
 Northern Fisheries Co., Ltd., Calgary, \$20,000.
 Canadian Lighting & Heating Co., Limited, Edmonton, \$20,000.

BRITISH COLUMBIA CHARTERS.

Vancouver Island Collieries, Ltd., Vancouver, \$1,500,000.
 Four Twenty Gold Bar Placer Co., Limited, Vancouver, \$50,000.
 Prince Rupert Oileries, Limited, Victoria, \$15,000.
 Jim Fook Yuen, Ltd., Victoria, \$15,000.
 Deep Cove Logging Co., Ltd., Vancouver, \$20,000.
 Camera & Arts, Ltd., Vancouver, \$20,000.
 Calder Mountain Copper Co., Ltd., Vancouver, \$50,000.
 F. G. Evans Co., Ltd., Vancouver, \$20,000.
 Kincaid Waterwheel & Power Co., Limited, Vancouver, \$50,000.
 Bishop & Christie, Ltd., Vancouver, \$20,000.
 Basque Chemical Production Co., Limited, Vancouver, \$150,000.
 Trail Insurance Agency, Ltd., Trail, \$10,000.
 Stadacona Club, Ltd., Vancouver, \$10,000.
 Vancouver Coast Baseball Club, Ltd., Vancouver, \$5,000.
 HeFald Printing & Publishing Co., Limited, Nanaimo, \$50,000.
 Mainland Motor Co., Limited, Vancouver, \$10,000.

APRIL CUSTOMS RECEIPTS.

Ottawa, April 30.

Customs receipts for the present month totalled \$14,093,175, which is a decrease of \$55,981, in comparison with April last year when they totalled \$14,149,156.

C. P. R. MARCH EARNINGS.

The gross earnings of the Canadian Pacific Railway System for the month of March amounted to \$12,427,714, an increase of \$2,853,613 over the gross earnings of February. The operating expenses for March were \$9,435,133, an increase of \$452,730 over the preceding month, leaving the net profits for March at \$2,992,781, compared with \$590,898 in February, \$1,167,993 in January, and \$3,937,317 in March, 1917. The gross earnings for the three months of this year amounted to \$32,792,034, working expenses \$28,040,361, net profits \$4,751,673, compared with \$8,354,845 in the corresponding period of last year.

The gross earnings, operating expenses and net returns for the three months of 1918 are shown in the following table:—

	Gross earnings.	Oper. expenses.	Net profits.
1918.			
Jan.	\$10,789,817	\$9,621,824	\$1,167,993
Feb.	9,574,301	8,983,402	590,898
March	12,427,714	9,435,133	2,992,781

The March return, compared with that of a year ago, follows:

	1918.	1917.	Increase.
Gross	\$12,427,914	\$11,846,542	\$ 581,371.94
Expenses	9,435,133	7,909,225	1,525,908.40
Net	2,992,781	3,937,317	x944,536.46

x—Decrease.

NIPISSING MINES CO.

Nipissing Mines Company presented a very satisfactory report at the annual meeting held a few days ago. The yearly average price at which silver was sold was 83.19 cents per ounce at Cobalt, which is nearly 2 cents per ounce higher than the New York yearly average quotation. Production during the year amounted to 4,212,247 ounces of silver, with a gross value of \$3,756,889. Costs of production and milling averaged 25.117 cents per ounce or about one cent higher than in the previous year. Total cost of production was \$1,057,987, leaving a profit of \$2,698,902, or 71.84 per cent, of total output.

No large veins of importance were discovered during the year, and production naturally resulted in a decrease of ore reserves, which amount to about 600,000 ounces. It is estimated that reserves contain 8,076,540 ounces.


R. B. Watson, the general manager, states that the adjustment of labor difficulties by putting all wages on a sliding scale, depending upon the price of silver, has worked satisfactorily to date. He says, "it is impossible to forecast with certainty what the economic conditions will be in 1918 or even in the immediate future. A controlling factor will be the price at which silver will sell. If current prices continue at approximately their present level, results for the coming year should compare favorably with the year just ended." The mills are being operated efficiently, and in normal times would show material reduction in costs.

At the annual meeting a large number of shareholders were present, and J. H. Black, of Toronto, presided. The Board was re-elected without change. Operations for the year compare as follows:

	1917.	1916.
Silver produced (oz.)	4,212,247	4,044,660
Ore milled (tons)	74,187	77,915
Cost of production per ton of ore	\$14.260	\$12.529
Cost of production per oz. silver (cts.)	25.117	24.135
Average price received per oz. (cts.)	83.19	65.661
Treatment costs per ton, low-grade ore	\$5.3945	\$4.598
Bullion recovered from low-grade ore (oz.)	1,932,831	2,133,631
High grade ore reserves (oz.) ..	4,682,293	5,031,232
Mill ore (oz.)	3,394,247	4,121,907

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$130,000,000

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

TORONTO PAPER CO.

The annual report of the Toronto Paper Company shows that book paper industry has prospered during the past year. For the year ended March 31st profits were \$198,039, as compared with \$212,794 the year before, \$75,871 two years ago and \$58,761 three years ago.

That is the company held very fully the marked recovery reported for 1916-17. The small decrease in profits is probably due to the fact that there has been a deduction for war taxes due in respect to the previous year, while no provision of the sort appears to have been necessary a year ago.

After an increased allowance for depreciation and payment of bond interest, the company's surplus balance for the year was \$137,499, equal to 18.3 per cent earned on the capital stock, against earnings at the rate of 21.1 per cent a year ago, 4.7 per cent two years ago and 2.6 per cent three years ago. The balance in profit loss, which was \$34,777 at the end of the company's 1914-15 year has risen to \$254,089. Dividends and bonuses totalling 10 per cent were paid against 6 per cent in 1916, and nothing in 1915.

Comparisons of profit and loss figures for three years follow:

	1917-18.	1916-17.	1915-16.
Profits	\$198,039	\$212,794	\$75,871
Deprac.	32,000	25,000	10,000
Balance	\$166,039	\$187,794	\$65,871
Interest	28,540	29,352	30,000
Balance	\$137,499	\$158,442	\$35,871
Dividend	75,000	37,500	.....
Balance	\$ 62,499	\$120,942	\$35,871
Prev. bal.	191,590	70,648	34,777
Total bal.	\$254,089	\$191,590	\$70,648

In the course of his annual report R. S. Waldie, president, states: "During the past year we built a new storage warehouse for our raw materials, and we have at the present time under construction an extension to our finishing department, which will be completed this summer. These additions were made necessary by our expanding business."

THE PAPER STOCKS.

Paper stocks held the centre of the stage on the local market during the past week. Brompton led off and on very active trading sold up to 53 ex-dividend. Spanish River was another strong issue both common and preferred making gains. Wayagamack, Laurentide and Riordon also came in for some attention.

For some months paper stocks have been more or less neglected by investors because of the action of the Government in restricting the profits paper makers were allowed to make. Despite the handicap under which paper companies worked they have been earning very satisfactory returns and this is in a large measure offset the Government interference. In the United States the International Paper Co. issued a statement a few weeks ago showing earnings of \$34.00 a share. In Canada such firms as Price Brothers showed net earnings of over 14 per cent; Brompton nearly 10 per cent on the common, while Riordon's also showed very large earnings; Spanish

River last year earned nearly 20 per cent on its preferred stock as against 2½ per cent. in 1915. In the year which will end on June 30th, 1918, Spanish River is expected to do even better than it did last year.

In the case of Brompton, the company's purchase of three mills in the United States is a bullish factor, one of these mills being a sulphite mill, the product of which will be utilized by the Brompton Co., in the manufacture of their news, whereby cutting down manufacturing expenses to the minimum. Paper companies, both in Canada and the States, are being careful and economically managed, while the demand for all kinds of paper products is almost unlimited, the indications are therefore, that a considerable measure of prosperity can be expected in the operations of these companies. It would not be at all surprising to see the Government grant higher prices for newsprint than the temporary price of \$57.00, which is in operation at the present time.

MONTREAL STOCK EXCHANGE.

Over double the business was transacted on the local exchange last week as in the previous six days period; the totals for listed shares being 20,916 shares as compared with 10,307. The chief activity centered in the pulp and paper stocks with Brompton selling around 52½ ex-dividend, Wayagamack at 50 to 50½, Riordon gaining 4 points on a dividend increase announcement and Laurentide and Spanish River also active and stronger. Altogether on Saturday seven paper stocks contributed 2,840 shares to the total turnover or 80 per cent. of the days trading.

Apart from the paper issues Canada Steamships was about the most active issue.

The volume of business on the Montreal exchange showed expansion as compared with the week preceding, and in shares was about the same as in the corresponding week of 1917. Comparisons follow:

	Week ending		
	May 4, 1918.	Apr. 27, 1918.	May 5, 1917.
Shares	20,916	10,307	21,357
Bonds	\$103,100	\$107,600	\$108,400
Unlisted shares	882	425	320
Do. bonds .....	.....	.....	\$341,500

ENEMY WHEAT CROP.

In 1912 the wheat crop of the Teutonic Empires, their present allies, and the states now occupied by them, was 642,300,000 bushels. It reached 593,200,000 in 1915, but fell to 503,400,000 in 1916 and to 430,500,000 in 1917. Even before this very heavy war-time decrease, Germany herself had to import 90,000,000 to 100,000,000 bushels.

EUROPE'S GRAIN CROP.

Apparently the acreage planted in England to wheat this year will be considerably larger than in 1917. In France we imagine that conditions do not favor a material increase of production. In view of the great demands made on the man-power of the Central Empires for purposes of the offensive efforts on the western front, it is to be expected that labor shortage, to say nothing of exhaustion of the soil, will stand in the way of good harvest yields. As regards Russia, we doubt that conditions in that country will permit the production of anything like a normal crop.

BRAZILIAN TRACTION CO.

Traffic earnings of the Brazilian Traction Company for the month of March amounted to 8,094,000 milreis. High fuel costs provide a formidable obstacle in figuring the net, however, and operating expenses for the month were a little in excess of fifty per cent. of the gross.

Comparisons for the first quarter of the year are as follows:

1918.	Gross.	Net.	Dec. in Net
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 RAILROAD EARNINGS.

Canada's three principal railroads established a record for gross earnings in April, the three systems reporting aggregate receipts of \$23,084,035, an increase of \$2,847,924 or 14.1 per cent. over the high record established in April a year ago. As compared with April, 1915, the increase is well on to \$10,000,000.

Grand Trunk's increase amounted to \$1,233,724, or upwards of 25 per cent. The gross earnings as compiled from the weekly statements, completed with the returns for the last nine days of the month, issued yesterday, show the following comparisons with April, 1917.

Road.	April gross.	Increase.	P.C.
C. P. R.	\$16,007,000	\$ 971,000	8.0
G. T. R.	6,118,935	1,233,724	25.2
C. N. R.	3,958,100	643,200	19.7
Total	\$23,084,035	\$2,847,924	14.1

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The Canadian Bank of Commerce

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

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

Capital Paid Up, \$15,000,000

Reserve Fund, - \$13,500,000

SAVINGS BANK BUSINESS

Security, convenience and courtesy are assured to all who deposit their savings with this Bank.

If it is not convenient for you to visit the Bank personally, you may open your account entirely by mail.

BANK OF FRANCE STATEMENT.

The Bank of France, in its weekly statement, reports the following changes for the week: Gold holdings increased 794,000 francs; silver holdings increased 46,000 francs; notes in circulation increased 337,875,000 francs; general deposits decreased 81,247,000 francs; bills discounted decreased 177,890,000 francs; Treasury deposits decreased 15,599,000 francs; advances decreased 39,749,000.

U. S. BANK CLEARINGS.

Total bank exchanges last week at the principal cities in the United States, according to Dun's Review, amounted to \$5,261,239,396, a decrease of 11.6 per cent. as compared with the same week last year. New York City reported a loss of 19.5 per cent, and this largely accounted for the falling off from a year ago inasmuch as most of the cities outside the metropolis showed more or less gain and the aggregate at all points was 5.3 per cent. larger than for this week in 1917. Compared with two years ago, however, the comparison in every respect was extremely favorable, there being an increase at New York of 3.9 per cent and at the remaining cities 35.0 per cent, while the grand total was 13.7 per cent in excess of the corresponding period in 1916. At some points there is gratifying improvement over both years. Notably, Boston with gains of 7.4 and 11.4 per cent; Baltimore, 41.8 and 36.0; Cincinnati, 49.9 and 70.7; St. Louis, 6.5 and 37.0; Kansas City, 27.6 and 97.5; Louisville, 22.9 and 22.4; and New Orleans, 33.3 and 117.5 per cent.

Average daily bank exchanges for the year to date are given below for three years:

	1918.	1917.	1916.
April	\$873,208,000	\$904,421,000	\$683,182,000
March	855,161,000	810,518,000	700,334,000
February	868,834,000	867,567,000	704,387,000
January	876,845,000	861,252,000	690,262,000

BANK CLEARINGS.

The bank clearings at 17 Canadian cities aggregated \$231,445,981 for the week ended May 2, against \$298,157,773 for the corresponding week a year ago, a decrease of \$66,711,792. Winnipeg, with clearings of \$46,000,000, in round numbers, showed a decrease of \$53,000,000. Local clearings also were much lower, a total of \$76,000,000 showing a decrease of \$20,000,000. Good gains were made by Toronto and Vancouver, the former with an increase of \$5,000,000, and the latter with one of \$2,000,000. Following are the clearings for the past week with comparisons:

	1918.	1917.
Montreal	\$76,407,834	\$96,380,501
Toronto	68,684,677	63,528,236
Winnipeg	46,937,700	100,640,605
Vancouver	10,185,473	8,004,440
Ottawa	6,557,105	6,666,546
Quebec	4,615,628	4,687,170
Edmonton	2,959,246	2,673,840
Regina	2,904,407	2,830,905
London	2,453,198	2,533,999
Victoria	2,196,200	1,737,417
St. John	2,054,859	2,094,502
Saskatoon	1,588,550	1,848,505
Moose Jaw	1,205,434	1,846,423
Lethbridge	790,000	900,042
Peterboro	783,471	662,073
Port William	578,092	607,473
Kitchener	541,107	565,282
Totals	\$231,244,775	\$296,100,748

BANK OF HAMILTON OPENS NEW BRANCH.

The Bank of Hamilton has opened another branch in Winnipeg, which is to be known as the Portage and Garry Branch, under the management of Mr. G. V. Pearce, formerly manager at Port Arthur.

BANK OF ENGLAND STATEMENT.

London, May 2.

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

Total reserve	Dec.	£675,000
Circulation	Inc.	1,020,000
Bullion	Inc.	355
Other securities	Dec.	1,980,000
Public deposits	Dec.	458,000
Other deposits	Dec.	2,502,000
Notes reserve	Dec.	681,000
Government securities	Dec.	264,000

The proportion of the bank's reserve to liability this week is 17.65 per cent.; last week it was 17.74 per cent.

Bank rate, 5 per cent.

APRIL BANK CLEARINGS.

The April bank clearings all show good gains except Winnipeg and Calgary, which are the only Canadian cities in a list of nineteen to report a decrease in bank clearings for the month, as compared with April a month ago. Winnipeg's decline was heavy, about 61 millions, but the change at Edmonton was nominal. Good gains are shown in the East, Montreal figures being up 29½ millions, and Toronto's 13½ millions, while substantial gains are reported from the Maritime Provinces and British Columbia. April figures for 1918 and 1917 compare as follows:

	1918	1917
Montreal	\$373,807,451	\$344,245,448
Toronto	276,705,355	263,225,159
Winnipeg	210,246,242	271,543,933
Ottawa	28,162,050	23,528,121
Hamilton	23,077,288	19,700,732
Quebec	19,554,533	17,343,012
Halifax	17,929,142	11,642,207
London	11,000,219	9,842,802
Brantford	4,114,903	3,357,715
Sherbrooke	3,650,769	2,590,563
Peterboro	3,650,265	2,622,597
Kitchener	2,823,650	2,567,848
Fort William	2,568,288	2,113,474
St. John	10,090,509	9,469,569
Vancouver	42,984,756	30,333,013
Calgary	28,935,805	28,954,474
Edmonton	15,253,898	10,975,054
Regina	15,104,525	11,822,927
Victoria	8,856,111	6,931,714

GO THROUGH WITH IT.

Former President Taft expresses the opinion that it will require 5,000,000 or maybe 7,000,000 American soldiers, and several years of hard work, to smash Germany, and says "this plan and preparation should begin now." That is the right spirit. Germany must be smashed if it takes 10,000,000 Americans and ten years. There is no way out but through. There is no possible peace save a peace based upon a decisive defeat of Germany.—Louisville Courier-Journal.

Victory Loan Securities

Will be accepted for safekeeping from subscribers for moderate amounts for one year, free of charge.

A special Savings Department has recently been opened. Deposits of \$1 and upwards received.

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160 St. James Street, - - Montreal

C. A. BOGERT, General Manager

THE Dominion Savings AND Investment Society

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

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

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

Business Founded 1795

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ESTABLISHED 1872.

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Head Office: HAMILTON

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

∴ THE ∴
Molsons Bank

Incorporated by Act of Parliament 1855.

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

Head Office - Montreal

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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.

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THE
Royal Bank of Canada
Incorporated 1869

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Capital Paid-up \$12,911,700
Reserve Funds \$14,564,000
Total Assets \$335,000,000

HEAD OFFICE: MONTREAL

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E. L. PEASE, Vice-President and Managing Director; C. E. NEILL, General Manager.

365 Branches in CANADA and NEWFOUNDLAND; 56 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA and BRITISH WEST INDIES.

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(ESTABLISHED IN 1836)
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— THE —
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Paid-Up Capital, \$4,866,666.
Reserve Fund, \$3,017,333.

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Head Office in Canada: St. James St., Montreal.

H. B. MACKENZIE, General Manager.
Advisory Committee in Montreal:

SIR HERBERT B. AMES, M.P.
W. R. MILLER, Esq. W. R. MACINNES, Esq.

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

Agents for the Colonial Bank, West Indies.

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Hochelaga Branch:
Cor. Davidson and Ontario Streets.

Verdun Branch:
18 Wellington Street.

"The dollar you deposit in the bank makes three parties better off: yourself, the bank and the party who borrows from the bank."

The Budget

(Concluded from Page 4.)

mitted to sell in a restricted way securities in the United States. The United States may buy more from us during this year, on account of war and other purposes, than she did last year. I believe she will. We may, during the war, and should, as a people, buy less of the United States of non-essential articles. Great Britain may arrange with us to pay in pounds sterling for what merchandise our people buy from her, and what Canadians owe her people for interest, the Government collecting here, under suitable arrangements, the interest and merchandise accounts due the people of Great Britain by our people, and with it buying additional Canadian products and shipping them overseas. At any rate, there, in rough outline, is the problem of the Canadian people to-day, in carrying on our part of the war, and in part, our trade and commerce, and making possible the productions and activities of the manufacturer, farmer, fisherman and lumberman, and such, in part, is the method employed in bringing about that end.

At the close of his speech Mr. Maclean gave notice of resolutions providing for new taxation to the following effect; estimated to yield about fifty million dollars additional revenue:

The exemptions allowed under the Income Tax Act are to be reduced from \$1,500 to \$1,000 in the case of unmarried persons and from \$3,000 to \$2,000 in the case of married persons.

Furthermore, in the case of a married couple living together, only one exemption is to be allowed and the incomes of the pair are to be regarded as one income. The rate of taxation is to be two per cent. on incomes from \$1,000 to \$1,500, in the case of unmarried persons, widows or widowers without dependent children and a like rate from \$2,000 to \$3,000 in the case of all other persons.

The normal tax on incomes above the maxima cited above will be four per cent. However, an important change is being made in the act which will provide for an exemption of \$200 of the income of parents for each of their children under sixteen years of age.

The other amendments to the act will result in the taking of a larger toll than heretofore from the incomes of the rich.

A new classification and rate is proposed for incomes above \$50,000, namely, 15 per cent. on the amount from \$50,000 up to \$75,000; 20 per cent. from \$75,000 to \$100,000; 25 per cent. from \$100,000 to \$200,000; 30 per cent. on the amount between \$200,000 and \$400,000; 35 per cent. on the amount between \$400,000 and \$600,000; 40 per cent. on the amount between \$600,000 and \$800,000; 45 per cent. on the amount between \$800,000 and \$1,000,000, and 50 per cent. of all in excess of \$1,000,000.

In addition, a surtax to remain in force during the war is being imposed. It is, in fact, a tax upon the amount payable under other provisions of the act. That surtax will be levied as follows: Five per cent. of the tax payable upon incomes in excess of \$6,000 but not exceeding \$10,000; 10 per cent. of the tax payable on incomes in excess of \$10,000 but not exceeding \$100,000; 15 per cent. of the tax payable on incomes exceeding \$100,000 but not exceeding \$200,000; 35 per cent. of the tax payable on income exceeding \$200,000.

The income tax payable by corporations and joint stock companies under the act is increased from 4 per cent. on income in excess of \$3,000 to 6 per cent.

Such concerns are not called upon to pay a double tax. An adjustment as between payments under the Income Tax Act and the Business Profits War Tax act is provided for.

The Minister announced the intention of the Government to move for the re-enactment of the Business Profits War Tax Act. In providing for the continuance of that legislation in force for another year the Government is providing for the taxation of business firms employing capital of \$25,000 and upwards.

Under the old act no concern with less than \$50,000 capital was taxed. The rate of taxation to be levied upon companies and partnerships employing from \$25,000 to \$50,000 will be one-quarter of all profits in excess of ten per cent. per annum upon the capital.

TAXES ON TEA AND COFFEE.

Canada is to have a tax upon tea, such as has been in force in England for many years. Tea, which has

heretofore been admitted to Canada free of customs duties, will hereafter be subject to a duty of 10 cents a pound.

Moreover, all tea stocks, exceeding 1,000 pounds, held by any importer or dealer, will be subject to a war excise tax of like amount.

The taxation on tea and coffee will, it is estimated, bring a revenue of three million or four million dollars into the treasury.

Its imposition has necessitated the levying of increased customs duties on coffee and chicory.

The duties upon those commodities in their various forms are slightly more than doubled.

Both excise and customs duties on tobacco in its various forms are increased.

The excise duties on manufactured tobacco are raised from 10 cents a pound to 20 cents a pound, those on cigars from \$3 to \$6 a thousand; on cigars in packages containing less than ten, from \$4 to \$7 a thousand; on cigarettes weighing not more than 3 pounds a thousand, from \$3 to \$6 a thousand; on cigarettes weighing more than three pounds a thousand, from \$8 to \$11 a thousand.

The excise impost on foreign leaf tobacco has been raised from 28 to 40 cents a pound, and on foreign leaf tobacco, stemmed, from 42 to 60 cents a pound.

Canadian grown tobacco will be liable to a tax of only five cents a pound.

Customs duties on tobacco are also increased.

The duty on cigars and cigarettes will be raised 60 cents a pound; that on cut tobacco 30 cents a pound and that on manufactured tobacco and snuff 30 cents a pound.

From the increase in the tobacco taxation, it is estimated an increase in revenue of some \$8,000,000 will be derived.

The taxes to be levied upon matches and playing cards will be collected by means of stamps. To each box of matches will have to be affixed a stamp of the value of one cent for every hundred matches, and to each pack of cards a stamp to the value of eight cents.

In respect of the tax to be imposed upon automobiles, gramophones, mechanical piano and organ players, and jewellery, the amount payable will be 10 per cent. on the selling price in the case of articles manufactured in Canada, and 10 per cent. of the "duty paid value" of articles imported. That is to say, the Government will levy the tax on the imported automobile upon the amount at which it is valued for customs taxation plus the amount of customs duty payable.

On motor cars the present customs duty is 35 per cent. ad valorem plus 7½ per cent. war duty.

A tax of general interest is that relating to sleeping car berths and parlor car seats.

Instead of a flat rate, a rate of 10 per cent. of the price for each berth with a minimum rate of 25 cents is charged. On parlor car seats the tax is increased from five cents to ten cents per seat.

On so called temperance drinks in the manufacture of which malt, rice or corn is used, a customs duty of 40 per cent. ad valorem will be collected instead of the present duty of 25 per cent.

SUMMARY OF THE NEW TAXATION.

Increased taxation imposed upon income but with exemption for families with dependent children.

Corporation income tax increased from 4 to 6 per cent. and Business Profits War Tax to be re-enacted with extension of tax to businesses employing capital as low as \$25,000.

Excise duties on manufactured tobacco increased from 10 cents to 20 cents per pound; on cigars from \$3 to \$6 a thousand; on cigarettes from \$3 to \$6 a thousand; on foreign raw leaf tobacco from 28 cents to 40 cents a pound; on foreign raw leaf tobacco stemmed, from 42 to 46 cents per pound. Excise duty of 5 cents a pound imposed on raw leaf tobacco grown in Canada.

Custom duties on imported cut and manufactured tobaccos increased by 30 cents a pound and duties on cigars and cigarettes increased 60 cents a pound.

Customs duty of 10 cents a pound placed on tea and duties on coffee and chicory correspondingly increased. Excise duty of 10 cents a pound levied on tea in dealers hands.

Tax on sleeping car berths and parlor car seats increased.

Excise taxes on matches and playing cards and specific duty of five cents per lineal foot placed on moving picture films.

Special war tax of 10 per cent imposed on selling values of automobiles, jewellery, gramophones, mechanical pianos and organ players and records.

**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

HERE IS YOUR OPPORTUNITY

The success which has attended the operations of the North American Life throughout its history has made association with the Company particularly inviting.

The year 1918 promises to be bigger and better than any heretofore. Some agency openings offer you an opportunity at this time.

Correspond with

E. J. HARVEY, Supervisor of Agencies.

**NORTH AMERICAN LIFE
ASSURANCE COMPANY
"SOLID AS THE CONTINENT"
HEAD OFFICE TORONTO, Can.**

Founded in 1806.

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

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

Canadian Head Office:

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

**The London & Lancashire Life
and General Assurance
Association, Limited**

Offers Liberal Contracts to Capable and 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.

-The Secret of a Wonderful Success-

The rise and progress of the Mutual Life of Canada has been one of the romances in the history of Canadian finance. Less than half a century ago a small group of men in an obscure Ontario town determined to establish a Life Insurance Company that would give the public the maximum of service at a minimum of cost. That being the aim it was resolved that the organization should be purely mutual. Five hundred prospective policyholders were gathered and formed the nucleus of the company. From this small beginning in 1870 the company has gone forward steadily with more regard to security and mutual serviceableness than big business. The result is that the company to-day is enjoying a popularity that is phenomenal, writing during the past year more than \$20,000,000 paid for assurances.

**THE MUTUAL LIFE ASSURANCE
Company of Canada**
WATERLOO ONTARIO
Assets, \$32,165,000. Surplus, \$4,764,299.
Assurances, \$123,511,314.

CANADA'S FIRE LOSSES.

Canada's total loss by fires since Confederation is \$700,000,000, according to evidence given before Mr. Justice Masten's commission, enquiring into fire losses and insurance conditions at the sittings held in Toronto, by J. Grove Smith, of the Dominion Commission for Conservation. Fires, Mr. Smith said, had increased at a greater rate than population in the last fifty years, and he advocated a more searching enquiry after every fire. He also favored lightning rods and automatic sprinklers as preventatives.

Local politics, Mr. Smith asserted, were, to a large extent, responsible for the laxity of enforcement of fire regulations, as no municipal official was inclined to jeopardize his position by attempting to interfere with the property of a prominent citizen. Over sixty per cent. of the loss in Canada was caused by less than five per cent. of the fires.

Registration of occupancy, so the authorities might know the use buildings were put to, and a law compelling insurance agents to see the property they are insuring, were other suggestions by Mr. Smith for cutting down fire losses.

"Since Confederation," Mr. Smith said the loss to Canada has amounted to \$350,000,000, exclusive of forest fires, and including forest fires the total loss is \$700,000,000. In addition, the cost of equipment, protection, etc., from fire, was \$150,000,000, and in insurance premiums \$197,000,000. The total cost to the country in respect to fires has amounted to over \$1,000,000,000.

The waste has been increasing rapidly, and the cost per capita of the value of insurance has increased from \$64 per capita in 1870 to \$500 in 1916. In 1916-18 the value of food products lost by fire amounted to \$16,000,000.

SOLDIERS' INSURANCE vs. PENSIONS.

There is one matter of public policy for America at war about which there seems to be no disagreement and no inclination to debate; and that is the decision to protect soldiers and their dependents against suffering, resulting from sickness or injuries incurred in military service by means of insurance rather than pensions. The old pension system was expensive and in many ways unsatisfactory. The new system is very much more businesslike, and will work far better, both for the government and for the soldiers and their families.

On June 30, 1916, there were on the roll of the pension office 235,536 names of widows of Civil War veterans. The total number of pensioners of the government at that time was 709,572.

The total amounts paid to pensioners of our various wars have been as follows: Revolutionary War, seventy million dollars; War of 1812, forty-five millions; Indian wars, thirteen millions; the Mexican War, fifty millions; the Civil War, up to 1917, \$4,765,075,020; and the Spanish War and the Philippine insurrection, fifty-three millions. Thus more than five billion dollars has been paid out in pensions for military service.

When the United States took up arms in defense of the peace of the world in this greatest of all wars, it was apparent that a better system must be devised and put into early operation. In October of 1917 a law was passed by Congress and approved by the President by which \$141,000,000 was appropriated for military and naval family allowance, \$12,150,000 for compensation for disabling injuries, and \$23,800,000 for life insurance. The care of the soldiers' dependents is now assured by process of law, and full provision is made for the care of soldiers rendered helpless by sickness or wounds. And the soldier may buy \$5,000 worth of insurance at \$3.25 a month if he is 21, \$3.45 a month, if he is 30, and at corresponding rates for other ages. He may, if he so desires, take out a policy as high as \$10,000. A five-thousand-dollar policy yields a monthly payment to the beneficiary of \$28.57, almost equal to the highest amount that used to be paid in a pension to the relative of a private soldier.

General Pershing's army in France took out policies aggregating at least \$900,000,000. The men in service at home also took advantage of the opportunity to insure their lives; at Camp Dix 98 per cent. of the officers and men took out policies.—Edward N. Teall, in St. Nicholas.

"A Little Nonsense Now and Then"

One morning the coffee was feeling stronger than usual—full of grit, don't you know. He brawled: "Hey, Mess Sergeant, 's this coffee? Looks more like mud to me!" "Well," answered the M. S., "it was ground this morning."

"To be happy a man needs a wonderful digestion and a woman needs beautiful attire." "Yes," commented Miss Cayenne of the Washington Star, "one wants the stomach of an ostrich and the other wants the feathers."

"And do you like to go to church?" asked the visitor of the minister's little son. "I should say I do," the boy replied. "Why, it's just grand to hear dad talking for an hour and mother never allowed to say a word."

"I understand your automobile has got you into trouble." "It's always getting me into trouble one way or another," replied Mr. Chuggins. "When it runs I get arrested for speeding. When it refuses to run I get arrested for profanity."

Peace crank.—You agree with me that we should not humiliate Germany? Tommy (from the Somme)—I do, sir! What I say is—shoot 'er crown prince, 'ang the Kaiser, blow 'er blinkin' ships out of the water, disband 'er army, break 'er up into small states, refuse to trade with 'er on any conditions, but—don't 'umiliate 'er!"

An agitated neighbor had just informed Mrs. Warren that her son was at the top of a telegraph pole in the vicinity. When the boy had been coaxed back to earth again, his mother remonstrated, according to the Christian Herald. "Tad, I've told you how dangerous that is; now why will you persist in climbing those poles?" "But, ma," exclaimed the boy in an aggrieved tone, "I have to have some fresh air!"

A naval officer, wishing to bathe in a Ceylon river, asked a native to show him a place where there were no alligators.

The native took him to a pool close to the estuary. The officer enjoyed the dip. While drying himself he asked his guide why there were never any alligators in that pool.

"Because, sah," the Cingalese replied, "they plenty 'fraid of shark."

A lawyer travelling through Alabama was much interested in Uncle Ned. "So you were once a slave, eh?" said he.

"Yas, sah," said Uncle Ned. "How thrilling!" said the lawyer. "And after the war you got your freedom, eh?"

"No, sah," said Ned, gloomily. "I didn't git mah freedom, sah. After de war I done got married!" —Case and Comment.

The first Tommy was ruddy of countenance, with a huge beard of the hue politely known as auburn. The second was smooth-shaven. "I useter have a beard like that till I saw meself in the glass. Then I cut it off."

But the bearded man was not dismayed. "Much better 'ave left it on, mate," he returned gently. "I useter have a face like yours till I saw it in the glass. Then I growed this beard." —Everybody's Magazine.

A Philadelphia woman was condemning our ultra-smart society. "This war, no doubt, will do this branch of society good," she said. "It is a sadly materialistic lot of people. I know a girl, who, after being educated at the Sacre Coeur, came out just before the war. She was a clever girl, and at one of her first dinners she talked very brilliantly about Bernard Shaw, Wells, Anatole France and other literary lions of the day. But her mother growled on the way home in the motor. 'Never let me hear you talk about books in society again!' 'Why not, mamma?' the girl from the Sacre Coeur asked in astonishment. 'Because,' hissed her mother, 'everybody will think you once worked in a book shop.'"

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**

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	76,591,535
Total Annual Income Exceeds	51,000,000
Total Funds Exceed	151,500,000
Total Fire Losses Paid	193,774,045
Deposit with Dominion Government	1,245,467

(As at 31st December, 1916.)

Head Office, Canadian Branch:

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

Applications for Agencies solicited in unrepresented districts.

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

\$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**

PENNSYLVANIA FIRE LEGISLATION.

In an effort to lessen fire losses the State of Pennsylvania has put some very drastic legislation on its statute books. Part of the enactment declares that, in addition to other penalties arising out of neglect of the fire laws, persons shall be liable, in civil action, for the payment of all costs and expenses incurred by the fire department in stamping out fires. "The amount of such costs," the measure declares "shall be determined by the director of the Department of Public Safety, based upon the wages of the firemen and other offices for the time they were engaged in the extinguishment or the attempt to extinguish such fire; a reasonable amount as rental for the use of fire apparatus, also the cost of the water used in putting out of fires, with an additional amount of ten per cent of the total amount as supervisory or overhead charges — all of which shall be paid into the civic treasuries."

MAKE THIS OUR PENANCE LOAN.

(New York Tribune.)

Our outlay in the first year, aside from loans, was rather less than that of any of the four principal belligerents — England, Germany, France and Russia — in their first year of the struggle. Proportional to its population and resources, it may be said in a very rough way that the United States in its initial year made about one-third as large a contribution to the war as our chief allies or our chief antagonist made. This, of course, excludes loans to the allies, because these are secured chiefly by the bonds and obligations of France and England.

Only about \$15,000,000 was lost to Russia. But even if we put together all our loans and all our expenditures our outlay in the twelve months falls considerably short of that of little England for the same period.

We have two and one-half times the population of Great Britain and nearly double its industrial and banking strength. Our output of steel, for example, before the war was more than twice that of Great Britain.

England's expenditures for the last year, including loans to her allies, amounted to \$11,500,000,000.

A proportional expenditure by the United States would have been at least \$22,000,000,000. And if we were to compare our resources now, swollen by three unparalleled years of war profits, with those of England, depleted now after three years of a grim and grinding struggle, the relative expenditure might easily have been above \$30,000,000,000.

In these three and a half years, it will be remembered, more than two-thirds of Britain's adult male strength has been at one time or another enlisted in her army and navy.

When we have raised a proportional army we shall have sent to France 17,000,000 men!

But it will be said that we are far overseas, 3,000 miles away from the seat of war. Secretary Baker reminded us of that in framing our excuses.

Well, our neighbor on the northern border has already raised, by volunteer action, an army of 400,000 men, and is now gathering another hundred thousand by conscription. Canada has about one-sixteenth the population of the United States.

An army of half a million men, therefore, for Canada would be the equivalent of an army of 8,000,000 men for the United States.

Canadian war loans to date aggregate \$76,000,000. The equivalent of this for the United States would be \$12,000,000,000.

And far-away Australia has done even better. Her new loan, which will call for \$100,000,000, closes this week. It will bring the total of loans well above \$600,000,000. A proportional amount for the United States would mean \$15,000,000,000.

England's total expenditures to date are very nearly \$35,000,000,000. Of this her total of loans to her allies reaches nearly \$7,500,000,000.

When we shall have made a proportional outlay our loans to our allies will reach at least \$15,000,000,000, and our own direct war expenditures will have been \$60,000,000,000.

We cite these figures at the present time lest any one should imagine that we have made, to date, any great sacrifice in this war or any heroic effort to win the war. The figures for France are parallel and on the same scale. What England has done France has done.—New York Tribune

CANADIAN TRADE EXPANSION SINCE THE BEGINNING OF THE WAR.

The trade returns for the fiscal year just ended as issued by the Census and Statistics Office, show that the volume of the external trade of Canada is now greater than at any previous period in the history of the Dominion. For the fiscal year ended March 31, 1918, the grand total of the imports for consumption and exports of Canadian merchandise — taking no account of the movement of coin and bullion — was over two billions and a half of dollars.

Imports for consumption for the fiscal year 1918 were greater by 56 per cent than for the year just prior to the war, viz.:—the fiscal year 1914. Under the stimulus of war orders, the export trade shows a still greater development, exports of Canadian goods for the fiscal year 1918 exceeding in value similar exports in 1914 by 256 per cent.

The total trade for Canada—Imports for consumption and exports of Canadian produce amounted to \$2,502,549,635, for the fiscal year ended March 31, 1918, while the value for similar trade for the fiscal year just prior to the war amounted to \$1,050,045,583, showing an increase from 1914 to 1918 of \$1,452,504,052. This increase is more than the whole trade for the fiscal year 1916. The imports of merchandise for the fiscal year 1918 were valued at \$962,521,847, and in 1914 at \$618,457,144, showing an increase of \$344,064,703, whilst the exports of Canadian merchandise in 1918 amounted to \$1,540,027,788 and in 1914 to \$431,588,439, showing a betterment from 1914-18, of \$1,108,439,349.

From 1914 to 1918 the exports of the mine increased 349,119 to \$172,743,081; agricultural products from \$20,623,560 to \$32,602,151; the forest from \$42,792,137 to \$51,899,704; animals and their produce from \$53,349,119 to \$178,743,081; agricultural products from \$198,220,029 to \$567,713,584; manufactured goods from \$57,443,452 to \$636,602,516.

During the fiscal year 1918 the customs revenue amounted to \$161,588,465; in 1914 the similar revenue amounted to \$107,180,578, showing an increase from 1914 to 1918 of \$54,407,887, or about 51 per cent.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT, upon the paid up Capital Stock of this Institution has been declared for the current quarter, also a BONUS OF ONE PER CENT, both payable on and after Saturday, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1918.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,

General Manager.

Montreal, 23rd April, 1918.

PROFESSIONAL

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.

HOWARD ROSS, K.C.

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ROSS & ANGERS

BARRISTERS and SOLICITORS

Coristine Building, 20 St. Nicholas St., Montreal

BLACK DIAMOND

FILE WORKS.

Established 1863

Incorporated 1897

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

G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by
NICHOLSON FILE COMPANY.

Montreal Stocks in April

Sales.	Stocks.	— Month —			Last sale.	Net chge.	— Year —	
		Open.	High.	Low.			High.	Low.
550	Abitibi	48	48	48	48	....	48	48
205	Ames-Holden	15	17	15	17	+2	17	15
1,192	Do., pref.	47	57	47	54	+7	57	47
100	Bell Telephone	*130	*130½	*130	130	....	132	*130
82	B.C. Fishing & Packing	49	49	49	49	+2½	49	40
1,448	Brazilian T. L. & P.	34½	36¾	33½	34	-2	40	32
2,702	Brompton	45	52	45	50½	+5½	52	41¾
3,947	Can. Car & Foundry	26¼	32½	32¼	32	+7¼	32¼	18¼
4,327	Do., pref.	62	78½	62	78	+15	78½	49½
2,398	Canada Cement	*59¾	61	59	59	-1½	61	*57
386	Do., pref.	90	91	90	91	unch.	91	90
668	Can. Cottons	57½	60	57	60	+2	60	48½
135	Do., pref.	76	76	76	76	unch.	*76	76
117	Can. Gen. Electric	102	103	102	103	+1	105	101½
250	Can. Locomotive	58	58	58	58	unch.	59½	58
30	Do., pref.	85	85	85	85	+½	85	85
2,936	Can. SS. Lines	39¼	42½	39¼	39¾	+½	43¼	39¼
1,409	Do., pref.	*76	*76½	*76	76	unch.	78½	76
333	Dom. Canners	23¾	27	23¾	27	+3½	27	23¾
381	Dom. Iron, pref.	91	91½	91	91	+2½	91½	88
6,758	Dom. Steel Corp.	60¼	61¾	58¾	58¾	-1½	62	*53
2,986	Dom. Textile	83¼	89	83¼	88½	+5	89	80¾
21	Do., pref.	100	101	100	100	....	....	....
25	Howard Smith, pref.	75	75	75	75	-1	76	75
25	Inter. Coal	27	27	27	27	-3	30	27
2,575	Laurentide	155	164	154¼	161¾	+7½	164	152
73	Lake of Woods	130	....	....	....	....	136	120½
7	Do., pref.	110	....	....	....	....	....	....
1,573	Lyall Construction	*68	76¼	*68	75	+10	76¼	*62
5	Mackay	75½	....	....	....	....	*78	74¾
5	Do., pref.	65¾	....	....	....	....	60	60
125	Maple Leaf	94	98	94	98	+3½	98	94
4,754	Mont. L. H. & P.	74½	80¼	74	*77	+4	80¼	68½
35	Mont. Cottons	50	50	50	50	unch.	*50	50
15	Mont. Telegraph	*120	....	....	....	....	120	120
10	N. S. Steel & Coal	66	....	....	....	....	69¼	66
35	Do., pref.	*100	....	....	....	....	....	....
154	Ogilvie Milling	170	170	170	170	+5	170	146
1,328	Ont. Steel Products	25	28¾	25	28½	+3½	29	22½
361	Penmans	74	76	73	75¼	+1¼	76	65
16	Do., pref.	82	....	....	....	....	....	....
50	Price Bros.	120	120	120	120	unch.	*120	*120
2,407	Que. Ry., L. H. & P.	16	19½	16	18	+2½	19½	15
820	Riordon Paper	117¼	118½	117¼	118	+¾	122	117¼
5,107	St. Lawrence Flour	50	70	50	*64½	+15¾	70	59
70	Do., pref.	80	80	80	80	....	80	80
1,959	Shawinigan	*110½	115	*109½	112	unch.	116¼	*107
405	Spanish River	13	14	13	14	+1	15	13
11,928	Steel Co. of Canada	57½	61	57½	*58	+2¼	61	*49¾
186	Do., pref.	89¾	91	89¾	90¼	+4¾	91	89¾
— BANKS —								
184	Commerce	185	185	185	185	unch.	185	185
278	Merchants	167	167	167	167	unch.	*167	167
53	Molsons	179¾	179¾	179¾	179¾	unch.	179¾	179¾
255	Montreal	210	210	210	210	unch.	210	210
16	Nova Scotia	248	....	....	....	....	248	248
35	Royal	208	208	208	208	unch.	208	208
133	Union	145	150	145	150	+5	150	143
— BONDS —								
\$19,000	Ames-Holden	88	88	88	88	....	88	88
2,000	Can. Cement	96¾	96¾	96¾	96¾	-¼	97	96¾
3,000	Can. Cottons	81	....	....	....	....	....	....
1,400	Can. Rubber	94	94	93	93	....	....	....
2,000	Can. Loco.	85	85	85	85	....	85	85
28,900	Can. Loan (1925)	93½	94½	93½	94½	+1¼	95¾	93½
163,000	Do. (1931)	92½	92½	92½	92½	+¼	93¾	92½
55,100	Do. (1937)	91¾	92¼	91¾	92	+½	93½	91½
12,209	Cedars Rapids	84	84	84	84	unch.	84	83¾
1,500	Dom. Cottons	96	....	....	....	....	97	97
6,000	Dom. Iron	86½	86½	86	86½	+2½	86½	84
2,250	Dom. Textile	97½	....	....	....	....	....	....
3,600	Lake of Woods	100½	100½	100½	100½	-1½	100½	100½
1,000	Laurentide	101	....	....	....	....	....	....
4,500	Lyall	93	....	....	....	....	93	93
1,000	Montreal Power	81¼	....	....	....	....	....	....
11,200	Mont. Tram. Debs.	*72¾	....	....	....	....	76	72¾
15,000	National Breweries	75	75	75	75	-1	77½	75
200	Scotia Steel	77	....	....	....	....	....	....
1,000	Ogilvie "A"	100	....	....	....	....	....	....
3,000	Do. "C."	100	100	100	100	-2½	100	100
2,400	Price Bros.	80	....	....	....	....	....	....
3,000	Quebec Ry.	57	....	....	....	....	60	60
1,300	Steel of Can.	90	92½	89	92½	....	....	....
8,000	Wayagamack	76	76	75	75	-6	76	75
— UNLISTED SHARES —								
5	Can. Felt	5	....	....	....	....	....	....
150	Do., pref.	25	35	35	35	....	35	35
675	Dom. Glass	33½	37	33½	36	+1	37	26
3,192	Laur. Power	50	54¾	50	54	+4	54¾	50
1,742	Tram. Power	23¾	24½	23¾	24½	+½	33	23¾

*Ex-dividend.

FORM BRITISH COMPANIES.

New British companies formed are the British and Australasian Insurance Company, Ltd., London, England, capital 100,000 pounds; General Marine Underwriters Association, Ltd., capital 50,000 pounds, and the Trade Indemnity Company, Ltd., capital 100,000 pounds.

WAR FINANCE.

By C. W. BARRON, in the Boston News Bureau.
A previous article in this series dealing with Washington plans for division of the United States into five great east and west regional railroad systems allied with shipping on both the Atlantic and Pacific to belt the world in trade and commerce has not only called forth much favorable comment, but has stirred Canada to renewed endeavor in railroad efficiency.

In the Canadian Pacific, Canada has for years had a model transcontinental and world-around shipping route. Its efficiency may be shown in a few figures. With \$260,000,000 of common stock, paying 10 per cent. after \$13,200,000 per annum of charges and showing a surplus of \$17,000,000 per annum after dividends, there have been accumulated property values on sea and land that can not be set down at less than one billion of value. At the same time the Canadian people and government have been trying to set up rival, competitive and other pioneer systems from Nova Scotia to Prince Rupert on the Pacific, with the result of an investment in public funds of \$1,700,000, which colossal sum earns but little more than half the Canadian Pacific.

A STARTLING CONTRAST.

If the government continues in its policy and soon has \$2,000,000,000 in Grand Trunks, Grand Trunk Pacifics, National Transcontinentals, and Intercolonials, etc., Canada will have a \$3,000,000,000 railroad system of which \$1,000,000,000 will be Canadian Pacific and \$2,000,000,000 government roads, and the Canadian Pacific under private management with one-third the property will be found earning two-thirds of the total railroad money and performing more than that proportion in service to business enterprise and the nation.

If any railroad man in the United States or at Washington wants to study railroad efficiency, let him take the train to Montreal and see the operating sheets of Vice-Pres. Bury before he seeks that master mind in transcontinental transportation, Lord Shaughnessy. Bury can show him \$4,000,000 increase in freight revenue the past year, with no increase in rates, and a saving of 60,000,000 car miles in the car movement.

The efficiency was produced in co-operation with the government of Canada by which war orders were issued that no car was to move until it was loaded to capacity, and that no train was to move except with a maximum train load.

Furthermore, no train started for any port until the ship was in harbor, and no ship had ever to wait an hour for its railroad freight. No freight congestion was permitted from the Atlantic to the Pacific, and no weather interfered with transportation or loading, and Canada has some winter weather.

Through the winter port of St. Johns was sent 50 per cent. more wheat than ever before, but it took 40 less train-loads to haul it.

A Railroad 100 Per Cent. Efficient.

But, this must be added: Canadian Pacific Railroad credit, operation and management have never been stunted by legislative enactment or supervisory commissions, whatever may have been the political attacks or attempts to set up rival and competitive forces. Canadian Pacific has come through with 100 per cent. efficiency. It has 100 per cent. freight cars for its traffic, and 100 per cent. of locomotives for its trains. This is the only railroad on the American continent and probably in the whole world to-day which can be described by this 100 per cent. of equipment and efficiency.

Canadian trade, financial and transportation interests are not slow to perceive that if the United States makes five east and west regional railroad systems with 100 per cent. efficiency on land and sea, Canada must expand the 100 per cent. efficiency of the Canadian Pacific to cover more territory and more lines.

Washington is beginning to wake up on international trade and to perceive that all American transportation is in the final analysis international.

Canada has already seen it and the United States must know that Canada and the British Empire belt the globe.

37 Years of the C. P. R.

The Position of the Company Reviewed by Lord Shaughnessy at Annual Meeting.

The annual meeting of the C. P. R. was held yesterday at noon in the board room of the general offices, Lord Shaughnessy in the chair. Amongst those present were: Sir Edmund Osler, Sir Thomas Tait, E. W. Beatty, chief counsel; C. R. Hosmer; Sir Herbert Holt, Sir Vincent Meredith, W. D. Matthews, Sir George Bury, Sir Augustus Nanton, Senator Belque, I. G. Ogden, vice-president; W. R. Miller, Colin Campbell, F. L. Wanklyn, Lieut.-Colonel Hooper, W. S. Taylor, J. W. McIntyre, J. Barry, H. E. Suckling, F. S. Shearing, E. Emery, J. S. Spackman, G. M. Bosworth, H. Joseph, A. A. Allan, Sir Charles Harris, S. Strathy, E. Alexander, H. C. Oswald, etc.

The annual report having been adopted, the President proceeded to give a resume of the inception, progress and present position of the company, in view especially, as His Lordship said, of the interest which the railway problem had created over the whole country. He said:

Compared with the returns for the calendar year 1916 the thirty-seventh annual report of the directors now before you for consideration and approval shows an increase in gross revenue from transportation of \$12,660,000, but this amount was more than absorbed by the working expenses, which increased \$16,590,000, so that the net income from transportation in 1917 was less by \$3,930,000 than it was in the previous calendar year.

Notwithstanding the larger volume of traffic in 1917, it will be gathered from the statistics incorporated in the report that there was a substantial decrease in traffic train mileage and loaded car mileage, indicating still further improvement in operating efficiency. In normal times this should be reflected in the working expenses, but its effect was minimized by the higher scale of wages and the enhanced cost of fuel and other materials required for the maintenance and operation of the railway that prevailed during the year and that added \$15,250,000 to the operating expenses.

These conditions were not exceptional in the case of your company, but applied in a proportionate degree to all the other Canadian carriers.

In view of the abnormal and constantly increasing cost of railway operation, the Board of Railway Commissioners, after due deliberation, authorized an increase of ten to fifteen per cent. in specified zones in the tariff of charges for the carriage of passengers and freight. This concession to the railway companies to assist them in meeting, in part, the increased cost of the transportation services that they are providing is very moderate indeed when compared with the increased prices due to similar causes which the public has to pay for all other commodities. It was clear that without higher rates many of the railway companies would be compelled to face large deficits, and in so far as it applied to these lines, some of them being wards of the Government, the order of the board appeared to arouse little objection or criticism. But certain trade bodies and others appealed to the Dominion Government for the disallowance of the order of the Board of Railway Commissioners on the ground that the additional revenue resulting from the higher rates would, in the case of the Canadian Pacific Railway Company, have the effect of supplementing that company's substantial surplus income after the payment of fixed charges and dividends.

THE C. P. R. TAXED.

To enable the weaker companies to reap the benefit of the higher rates, and at the same time to meet the objections that had been urged to the participation of the Canadian Pacific in like benefits, the Government decided to permit the advance in rates for the carriage of traffic authorized by the Board of Railway Commissioners to become effective March 15th, 1918, but concurrent with this decision there was an order of the Governor-General-in-Council under the War Measures Act, substantially as follows:

"1. The Canadian Pacific Railway Company, hereinafter called 'the Company,' shall pay to the Government of Canada the following special taxes:

"1st.—One-half of its net earnings from railway operation in excess of seven per cent. on its common

stock (after paying fixed charges, appropriation for Pension Fund, and dividends on preferred stock.)

"2nd.—Income tax on the company's special income (inclusive of all the company's income, except earnings from railway operations), under the provisions of The Income War Tax Act, 1917, or any amendment thereof hereafter enacted."

Provided that the total amount to be paid each year by the company shall not be less than—

(1) The company's net earnings in such year from railway operations, and from special income as defined above, in excess of 10 per cent. on its common stock (after paying fixed charges, appropriation for Pension Fund and dividends on preferred stock), up to \$7,000,000 or

(2) The amount by which its net earnings from railway operations exceed the net earnings from railway operations for the fiscal year ended December 31st, 1917, due to the increase in freight and passenger rates granted by the order of the Board of Railway Commissioners, dated 26th December, 1917.

(3) Payment in full of special taxes under this order shall in respect of earnings from and after January 1st, 1918, relieve the company of liability under the Business Profits War Tax Act, 1916, and any other Dominion act of like nature hereafter enacted, and (save as hereinbefore provided) under the Income War Tax Act, 1917.

"(4) This order shall be deemed to have come into force and effect on the first day of January, 1918, and to continue in force and effect during the present war, and until further ordered."

Briefly stated, this Order-in-Council not only deprives your company of any improved revenue that might result from the higher tariff, but imposes upon it a measure of taxation discriminatory in character, and, therefore, your company might with propriety question its fairness or justification. A state of war, with its enormous demands upon the National Treasury, and other financial burdens brought upon the country by an unfortunate railway policy, coupled with the thriving condition of your company's affairs, were in all probability taken as furnishing reasonable warrant for the Government's action.

Since the outbreak of war your Company has deemed it a duty to render to Canada and the Allies all the practical and financial assistance in its power, and while it is not possible with constantly changing conditions to form at this time even an approximate estimate of the tax, the amount, whatever it may be, will be paid without protest or embarrassment to your finances. It must not be assumed that in the adoption of this measure the Government was actuated by any spirit of hostility to the Company. On the contrary, it may be stated without reservation, that at no other time has your Company enjoyed the confidence and support of Parliament, the Government and the people to a greater extent than at present. Nor should the Government's action be assumed to forecast a policy in the future that might jeopardize investments in Canadian Government, Municipal, or Corporation Securities.

A SUMMARY OF THE STORY OF THE C. P. R.

Summarized it would appear:

1. That the Canadian Pacific Railway, as originally designed, forms but a small part of the present great system with its comprehensive operating traffic and business organization, through which in normal times thousands of people are brought every year to and through Canada from all portions of the civilized world, thus helping to people the Country and to bring her vast resources under general notice.

2. That the cost of the transportation system as described in this Memorandum was \$818,000,000, against which there is outstanding capital of all classes amounting to \$623,000,000.

3. That every share of \$100 Ordinary Stock in the hands of the public represents the payment into the Company's Treasury of \$112 in cash, and \$31 from surplus income, or a total of \$143.

4. That it has been the Company's policy to avoid mortgage debt and mandatory interest charges with their attendant dangers.

5. That lands and resources capable of development, belonging to the original Company or that came into its possession through the acquisition of other railways, have been husbanded, developed and utilized so successfully and advantageously that, distinct from their railway transportation system, the Shareholders have extraneous assets valued on a moderate basis at \$253,000,000.

6. That the highest dividend paid to Shareholders from transportation revenue, namely, 7 per cent. per annum, is only equivalent to 2 per cent. per annum on the cost of the railway system, and if the dividend of 3 per cent. from Special Income be added, making a total of 10 per cent. per annum, the distribution is less than 2½ per cent. on a conservative valuation of the Company's total assets.

7. That the average rates per passenger mile and per ton mile for the carriage of passengers and freight, respectively, received by the Canadian Pacific were lower than those received for the same services by any combination of railway lines in the United States constituting a through route between the Atlantic and the Pacific Ocean.

8. That the wages paid by the Canadian Pacific in every branch of its service are at least as high as, and the cost of its rails, fuel and general supplies is higher than United States railway companies are required to pay, and in all of these items the increase in both Canada and the United States has been abnormal since the outbreak of the War.

9. That the Company's successful effort to keep its capitalization substantially below the real value of its property and assets deserves the commendation of the Canadian people and should not, in any case, be made a pretext for penalizing the Company when rates for the carriage of traffic, or other matters relating to general railway policy, are before Parliament or Government for consideration and decision.

The Shareholders and Directors of the Company have always been impressed with the idea that the interests of the Company are intimately connected with those of the Dominion, and no effort or expense has been spared to help in promoting the development of the whole country.

At a meeting of the Board held immediately after the Shareholders' meeting, The Right Hon. Lord Shaughnessy, K.C.V.O., was re-elected President of the Company, Sir George Bury and Mr. E. W. Beatty, K.C., Vice-Presidents, and the following were appointed the Executive Committee: Mr. Richard B. Angus, Mr. E. W. Beatty, K.C.; Sir George Bury, Sir Herbert S. Holt, Sir Edmund B. Osler, The Right Hon. Lord Shaughnessy, K.C.V.O.



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COMMODITY MARKETS

Week's Wholesale Review

Dun's Bulletin says of Montreal trade: The main topic in commercial circles this week is the notable increases in customs and excise duties provided for in the new budget. The imposition of a customs duty of 10 cents a lb. on tea, hitherto free, and an excise duty of 10 cents a lb. on all stocks over 1,000 lbs., with a corresponding increase on coffee and chicory, is not regarded as a hardship. Sugars are untouched. The excise duties on playing cards, matches, etc., and special war tax on automobiles, jewellery, gramophones, etc., are generally approved, while smokers, as a rule, are not disposed to grumble at the substantially increased duties on tobaccos and cigars. These changes with some increased taxation on personal and corporation incomes, are calculated to ensure quite a considerable and needed addition to Government revenue.

River and lake navigation is now in full swing and first arrivals from sea are momentarily expected.

In wholesale trade there are no specially new features. Money is still coming in well, and returns of failures are remarkably light.

Dry goods men report no diminution in the volume of sales, but layers now in Britain cable that it is practically impossible to get any goods from manufacturers, and that they are securing such lots as they can from factories and wholesalers. The result of the convention of American cotton men for the purpose of establishing a fixed price for raw cotton is awaited with much interest.

Groceries show a fair reasonable movement, excepting sugars, in deliveries of which there are further limitations. Molasses is quoted up to 97 cents in single puncheons. Butter prices show a marked decline under increased receipts.

The weather is proving favorable for farming operations, and much larger areas are being put under the plough.

Only five minor failures are reported in the district for the week, with liabilities of \$24,000.

Bradstreet's Montreal Weekly Trade Report says: The long-expected relief to the freight congestion should be realized this week, when both inland and ocean navigation will be opened for the season.

The budget was announced for the coming year this week. Quite a large number of articles have been affected, the principal items being tobacco, both imported and domestic; cigars, cigarettes, tea, coffee, matches, etc.

Special war tax of ten per cent is imposed on selling values of automobiles, gramophones, mechanical pianos, organ players, records and jewellery. Increases in income tax and business profits tax are also announced.

Owing to the increased receipts of butter the market price showed quite a drop during the week. Eggs are also lower. Heavier arrivals of maple syrup have caused an excess of supplies, which has had a tendency to ease off prices.

Potatoes are offering more liberally at lower prices. The fruit market is dull, as buyers find prices too high to do much business. The Government demand for hay has fallen off, and the market has ruled quieter. The cattle markets are firmer, and higher prices are being paid for choice stock.

The retail report trade for the week as only fair. City collections are slow, but remittances are fairly good. Advices from the West say that seeding is completed, but in this province it will only begin this week.

LIVESTOCK.

MONTREAL.—The receipts of livestock at the two Montreal yards, for the week ending May 4th, amounted to 1,400 cattle, 110 sheep and lambs, 3,500 hogs, and 2,300 calves. Supplies of cattle coming forward were small and the demand good, so the market developed a very strong tone and prices advanced 25c to 50c per 100 lbs.

Supplies of hogs coming forward were also very limited which led to a strong tone and an advance in prices of 50c to 75c per 100 lbs.

following Montreal prices:
Steers, per 100 lbs.—
Choice \$13.50 \$14.00
Good 13.00 13.25

Fairly good	12.50	12.75
Fair	12.00	12.25
Light steers	11.50	11.75
Common	10.00	11.00
Butchers' bulls—		
Choice	11.50	12.00
Good	11.00	11.25
Medium	10.50	10.75
Common	9.00	10.00
Butchers' cows—		
Choice heavy	11.25	11.50
Good	10.75	11.00
Medium	10.25	10.50
Common	8.50	9.50
Sheep, per 100 lbs.—		
Ewes	13.00	14.00
Bucks and culls	11.00	12.00
Ontario lambs	00.00	17.00
Quebec lambs	00.00	16.00
Calves, per 100 lbs.—		
Good milk-fed stock	11.00	12.00
Good	9.00	10.00
Fair	8.00	9.00
Common	5.00	7.00
Hogs, per 100 lbs.—		
Selected lots	21.25	21.50
Sows	19.25	19.50
Stags	17.25	17.50

TORONTO.—The receipts of livestock at Toronto for the week ending May 4th, amounted to 6,469 cattle, 2,406 calves, 8,245 hogs, 249 sheep and 144 horses. The cattle market opened strong with prices at the high levels of the previous week and again unprecedented by high figures here paid. The top price of the week was \$16 per cwt. This price was obtained on Monday for a choice handy little animal of 910 pounds. Two other animals were disposed of at the same figure on Wednesday. The highest price for a straight load was \$15.75 per cwt. With the close of the week extra choice, well-finished heavy cattle were cashing anywhere up to \$16 per cwt. Good, well-finished heavy cattle were selling around \$13.25 to \$14 per cwt.

Hogs reached the high level of \$21, fed and watered. For some time past the abattoirs were endeavoring to lower the prices, but the scarcity of hogs throughout the country and the increasing demand prevented a continuance of lower prices. Accordingly there was a firmer feeling to the market on the opening day of the week, and since then the prices have advanced almost daily until now they are selling at from \$20.75 to \$21, the high record of five weeks ago.

Choice calves sold at from \$13.50 to \$15.50. The number of sheep and lambs offering on the Toronto market is very small and prices are firm.

We quote the following prices for livestock at the Toronto markets:

Heavy steers, choice	13.75	15.00
Do., good	13.25	13.75
Butchers' steers and heifers, choice	12.50	13.00
Do., good	11.75	12.25
Do., medium	10.50	11.50
Do., common	8.50	10.25
Butchers' cows, choice	10.75	12.50
Do., good	9.50	10.50
Do., medium	8.25	9.00
Do., common	6.75	7.50
Do., canners	6.00	6.25
Butchers' bulls, choice	10.50	11.00
Do., good	9.25	10.00
Do., medium	8.25	9.00
Do., common	7.50	8.00
Feeders, best	9.50	10.75
Stockers, best	9.50	10.00
Grass cows	7.00	8.00
Milkers and springers, choice	100.00	150.00
Do., common to medium	65.00	90.00
Calves, choice	13.50	15.00
Do., medium	12.00	12.50
Do., common	8.50	10.50
Heavy fat	10.00	12.00
Lambs, choice	19.50	21.75
Sheep, choice handy	13.50	16.00
Do., heavy and fat bucks	11.00	12.25
Hogs, fed and watered	20.25	21.00
Do., off cars	20.50	20.75
Do., f.o.b.	19.00	19.25
Less \$1 to \$2 on light or thin hogs; less \$3 to \$3.50 on sows; less \$4 on stags; less 50c. to \$1 on heavies.		

COUNTRY PRODUCE

BUTTER.

The receipts of butter for the week ending May 4th, 1918, were 5,039 packages, which show a decrease of 1,537 packages as compared with the previous week, and a decrease of 721 packages with the same week last year, while the total receipts since May 1st, 1918, to date, show a decrease of 1,237 packages, as compared with the corresponding period a year ago. As supplies of butter coming forward were more liberal, the butter market showed continued weakness and prices scored a further decline of 4c per lb., making a net drop of 8½c per lb. in the past fortnight. The demand was steady and a fair trade was done. On Saturday the Eastern Townships Dairymen's Exchange held its first meeting of the season at Cowansville, when 320 packages of creamery butter were offered on the board and all sold at 42c per lb., which was only ¼c per lb. higher than the price paid on the corresponding date a year ago. At St. Hyacinthe the feeling was steady, and prices were unchanged from a week ago, all the offerings selling at 41c per lb. The second auction sale of the season was held by the Quebec Agricultural Co-operative Society on Friday and the prices realized were 3½c to 3¾c per lb. lower than the previous one, finest creamery selling at 42¾c per lb., and pasteurized at 42¾c. At Gould's Cold Storage the offerings for the week amounted to 550 packages, and all sold at 41c to 42c per lb. f.o.b. country points.

We quote the following prices:

Finest Sept. and Oct. creamery	0.42½	0.43
Fine Sept. and Oct. creamery	0.42	0.42½
Fine dairy	0.37	0.38

Margarine:—

Prints	0.29½	0.34
Bulk	0.28½	0.31½

Cottonseed (Shortening):

Tierces, per lb.	0.26½
Tubs, per lb.	0.26½
Pails, per lb.	0.27
Cartons	0.28

CHEESE.

The receipts of cheese for the week ending May 4th, 1918, were 6,327 boxes, which show an increase of 3,124 boxes as compared with the previous week, and a decrease of 6,896 boxes with the same week last year, while the total receipts since May 1st, 1918, to date, show a decrease of 8,548 boxes, as compared with the corresponding period a year ago. The trade in cheese was quiet during the week although a fair amount of cheese was offered, which sold on the Western boards at 22½c to 22 5-16c per lb. The only changes in price to note were a decline of ¼c per lb. at Picton, as compared with the previous week, and an advance at Stirling of 9-16c to ¼c per lb. The offerings at St. Hyacinthe were sold at 21½c, which was an advance of ¼c per lb. on last weeks figures. At Gould's Cold Storage there were 1,600 boxes offered during the week, which brought from 21¼c to 22¼c per lb. f.o.b. country points. There was a fairly good demand for 20 lb. cheese for local consumption, and all supplies coming forward met with a ready sale at 23c.

The Commission is paying the following prices:

No. 1 cheese	0.23
No. 2 cheese	0.22½
No. 3 cheese	0.22

AT THE COUNTRY BOARDS.

Cowansville.—At the first meeting of the Eastern Townships Dairymen's Exchange there were 320 packages creamery butter offered, which sold at 42c per lb. At this date a year ago the offerings amounted to 862 packages, and all were sold at 41¼c per lb. St. Hyacinthe.—The offerings on the board were 200 packages butter and 100 boxes cheese. The butter sold at 41c per lb., and the cheese at 21½c. A year ago to-day 120 packages butter sold at 42c.

Belleville, Ont.—At the cheese board, 334 boxes of white were offered. Sales: 110 at 22 7-16c, and 234 at 22¾c.

EGGS.

The receipts for the week ending May 4th, 1918, were 17,635 cases, as compared with 14,944 for the previous week, and 14,577 for the same week last year. The total receipts since May 1st, 1918, to date, were 8,711 cases, as against 12,794 for the corresponding

period a year ago. Although the supplies of eggs coming forward were large the demand is also large and prices remain firm. The local market is very active with sales, both for immediate consumption and for storage.

We quote wholesale jobbing prices as follows:
 Selected stock 0.43 0.44
 No. 1 stock 0.40 0.41
 No. 2 stock 0.37 0.38

POTATOES.

There was a good demand for all supplies of potatoes coming forward and an active trade was done in car lots for shipment to outside points with sales of Green Mountains at \$1.40 to \$1.45 per bag of 90 lbs. in bulk; reds at \$1.40 to \$1.45, including bags, and McIntyres at \$1.30 to \$1.35 ex-track here, while in a wholesale jobbing way Green Mountains sold at \$1.79; reds at \$1.60, and McIntyres at \$1.50 per bag of 90 lbs. ex-store.

MAPLE PRODUCTS.

The demand for maple sugar for export which continues good has tended to strengthen the tone of the market and prices have advanced 1/2c to 1 1/4c per lb. with sales of carlots of Beauce sugar at 19 3/4c per lb. f.o.b. country points, and even at this rise it is reported that farmers in some cases are still holding for more money. There has been no change in prices on spot, but the active trade has been in a wholesale jobbing way at 21c to 22c per lb. The tone of the market for maple syrup has been easier owing to the more liberal supplies coming forward than were expected, and in consequence prices are lower than a week ago. The demand has been fair, and sales of 15 to 20 gallon barrels were made at \$1.75 per gallon; five gallon tins at \$1.80 per gallon; one gallon tins at \$1.90 to \$2, and 5 1/2 tins at \$1.40.

PROVISIONS.

As the prices of live hogs showed advances of 50c to 75c per 100 lbs. at all Canadian centres the tone of the market for dressed hogs became strong and prices scored an increase of 50c per 100 lbs. The demand was steady and a fair trade was done in a wholesale jobbing way at \$29.50 to \$39 per 100 lbs. The market for smoked and cured meats showed no important change. The demand was steady and prices were firm. The trade in lard in a wholesale jobbing way was fair and as supplies are not large prices were firm.

Hams:—	Per lb.
Smoked Hams, 8-10 lbs.	0.36 0.38
Do., 12-15 lbs.	0.34 0.35
Do., over 25 lbs.	0.32 0.33
Bacon:—	
Breakfast	0.40 0.42
Windsor Bacon, selected	0.43 0.41
Windsor Bacon, boneless	0.44 0.45
Pure Lard:—	
20 lbs. pails	0.31 0.31 1/2

LOCAL GRAIN.

A weak feeling prevailed in the Canadian oat situation throughout the week, which caused to have a steady downward tendency. This tendency was due to an absence of demand for the cash grain, the large supplies in the interior and the good prospects for the next crop. On Thursday the May option in the Winnipeg market sold down to 84c and the July to 81 1/2c, which prices as compared with last Saturday's closing figures showed a decline of 4 1/2c to 5 1/2c per bushel, but on Friday the market reacted some and finished on Saturday with a net loss for the week of 3 1/2c to 4c per bushel.

On the local market prices during the week scored declines amounting to 5c to 7 1/2c per bushel, and closed on Saturday with car lots of No. 2 Canadian western quoted at \$1.01 1/2, No. 3 Canadian western and extra No. 1 feed at 95c, No. 1 feed at 92c, No. 2 feed at 89c, and Ontario No. 3 white at 91c per bushel ex-store. The demand for American corn for shipment to country points for feeding purposes continued fairly good on account of the continued scarcity of other lines of feedstuffs, and sales of quite a few car lots of all grades were made at \$1.72 to \$1.82 per bushel ex-track here.

Fluctuations in grain on Saturday at Winnipeg were:

Oats:	per bushel.
No. 2 C. W.	0.85 1/4
Do., No. 2 C. W.	0.82 1/4
Do., Extra No. 1 feed	0.82 1/4
Do., No. 1 Feed	0.79 1/4
Do., No. 2 feed	0.76 1/4

Barley:	
No. 3 C. W.	1.50
No. 4 C. W.	1.45
Rejected	1.20
Feed	1.18
Flax:	
No. 1 N. C. W.	3.77 1/2
No. 2 C. W.	3.74 1/2
No. 3 C. W.	3.52 1/2

LOCAL FLOUR.

There was a fairly good inquiry for flour substitutes, but owing to the limited supplies of these trade was not brisk. There was some business passing in broken lots of rye flour at \$17 per barrel in bags, barley flour at \$14, corn flour at \$13, Graham flour at \$11.20, and rice flour at \$9 per 100 lbs., put up in 220-lb. sacks, delivered to the trade. Spring wheat flour offerings continue fairly liberal and further purchases of some round lots were made this week by the flour department of the Wheat Export Co., Ltd., at \$10.64 per barrel in bags, f.o.b. vessels aboard. The domestic and country trade in this grade of flour was quiet, the demand being principally for small quantities to meet immediate requirements. Car lots of Government standard grade for shipment to country points are selling at \$10.95 per barrel in bags f.o.b. cars, Montreal, and to city bakers at \$11.05 delivered, while broken lots to grocers and city bakers sold at \$11.15 delivered.

Only a small trade was done in winter wheat flour, but as stocks on spot are light prices remained firm.

MILLFEED.

Supplies of millfeed are very small and the demand continues good. Sales of bran were made at \$35.40 and shorts at \$40.40 per ton, including bags delivered to the trade. The price of pure grain moultrie remained unchanged. Although the tone of the market was easier.

ROLLED OATS.

The market for oat products showed continued weakness and prices scored a further decline of 30c per barrel, due to the steady downward tendency of the raw materials. The demand for rolled oats and oatmeal for export account has been good and sales of some round lots were reported at \$10.45 per barrel in bags f.o.b. vessel at seaboard ports, while in broken lots sales of standard grades of rolled oats were made for local and country account at \$5.25 in bags of 90 lbs. delivered to the trade. The tone of the market for cornmeal has ruled firm with a steady demand for broken lots and sales of Golden grade were made at \$6.25 to \$6.40, and bolted grade at \$4.50

RECEIPTS OF GRAIN AND FLOUR.

The receipts of grain and flour in Montreal for the week ending May 24th were:

Wheat, bushels	383,097
Oats, bushels	114,785
Barleys, bushels	22,183
Corn, bushels	27,592
Hay, bales	37,584
Straw, bales	920
Flax	1,678

RECEIPTS OF BUTTER AND CHEESE.

The following table shows the receipts of butter and cheese in Montreal for the week ending May 4th, 1918, with comparisons:

	Butter,	Cheese,
	pkgs.	boxes.
Week ending May 4, 1918	5,039	6,327
Week ending April 27, 1918	6,576	3,203
Week ending May 5, 1917	5,760	13,223
Total receipts, May 1, 1918, to		
May 4, 1918	3,497	3,376
Total receipts, May 1, 1917, to		
May 5, 1917	4,734	11,924

RECEIPTS OF GRAIN IN WINNIPEG.

The receipts of grain in Winnipeg for the week ending May 2nd and the week preceding, were:

	Wk. end.	Wk. end.	5c date
	April 25.	May 2.	last year
No. 1 Hard	1	0	....
No. 2 Northern	458	283	....
No. 2 Northern	304	208	....
No. 3 Northern	234	151	....
No. 4 Wheat	126	92	....
No. 5 Wheat	114	64	....
No. 6 Wheat	81	62	....
Feed Wheat	23	16	....
Rejected	41	38	....
No. Grade	32	15	....
Winter	3	0	....
Totals	1,417	929	2,768
Oats	999	758	783
Barley	116	105	84
Flax	77	48	125

to \$4.75 per bag delivered to the trade.

Flour:	per barrel.
New Government standard grade	\$10.95 \$11.15
Cereals:	
Rolled oats, 90 lb. bag	5.25
Corn Meal, Golden, per bag	6.25 6.40
Feed:	per ton.
Bran	35.40
Shorts	40.40
Moultrie, pure grain grades	75.00

TROUT

THE TROUT FISHING SEASON is now open—who doubts any longer that spring is here?

To the fisherman, now carefully scanning his tackle, and eager to get out there quickly,—just one word:

The Laurentian Mountains, within easy reach of Montreal, have scores of rivers and lakes that challenge your skill. Such, for instance, as in the vicinity of Labelle, Ste. Agathe, Mont Tremblant, St. Faus-tin, and St. Jovite—all of them splendid centres from which to reach the best fishing waters.

To these places the Canadian Pacific Railway will take you quickly and comfortably. You can buy your ticket at either the C. P. R. City Offices, 141-145 St. James St., or at Windsor, Westmount, Place Vigor or Mile End Stations.