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The Journal of Commerce

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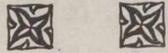
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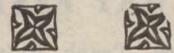
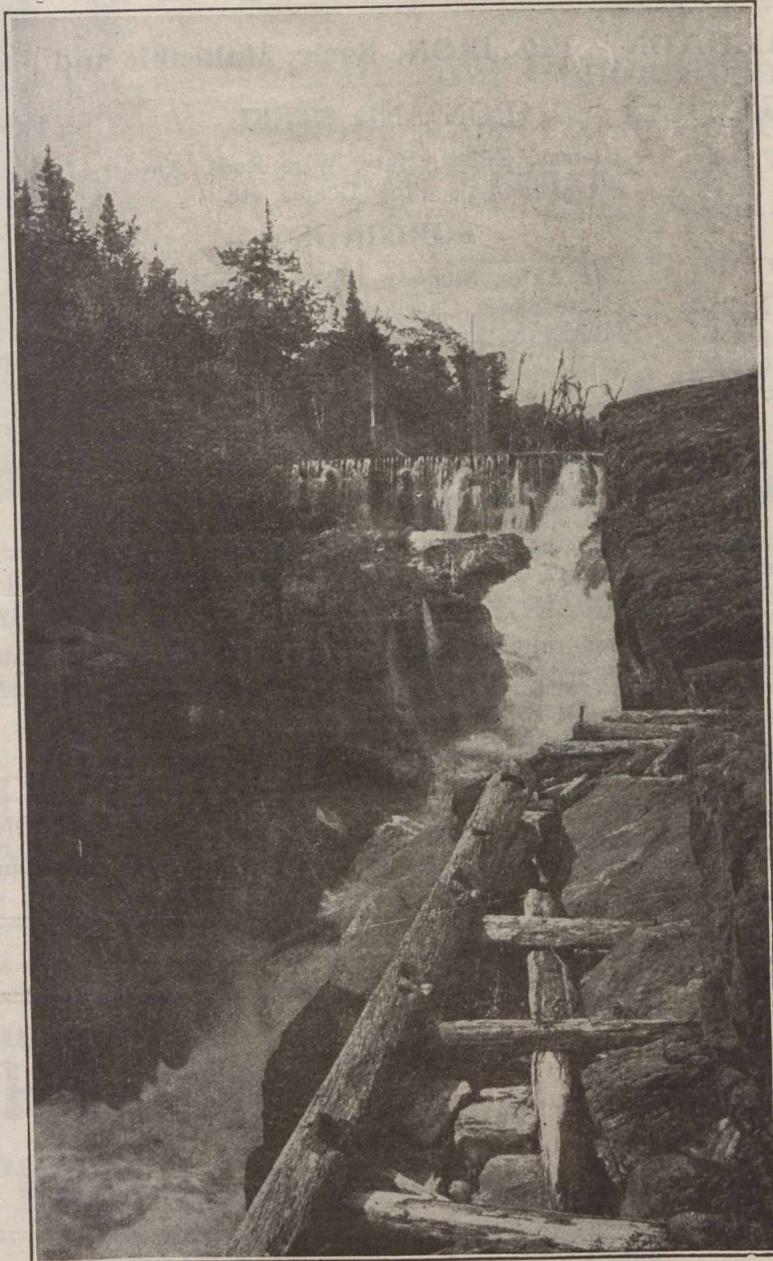
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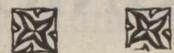
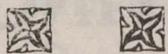
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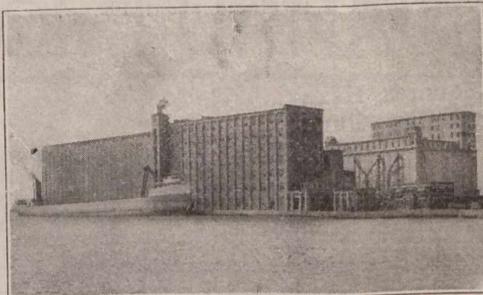
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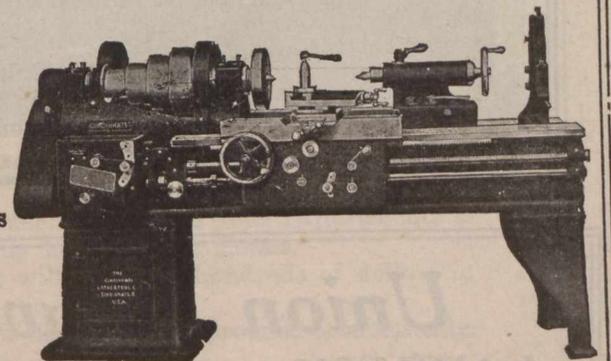
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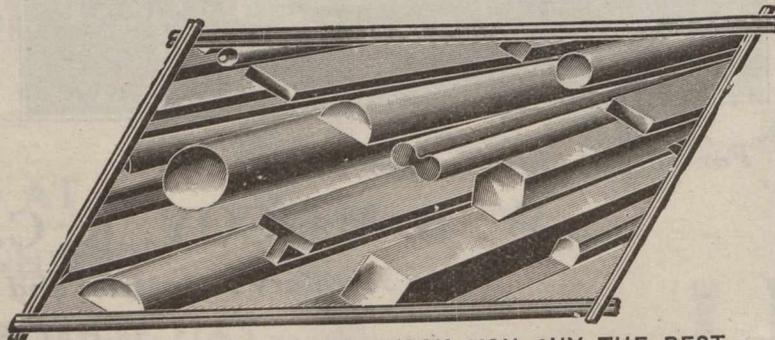
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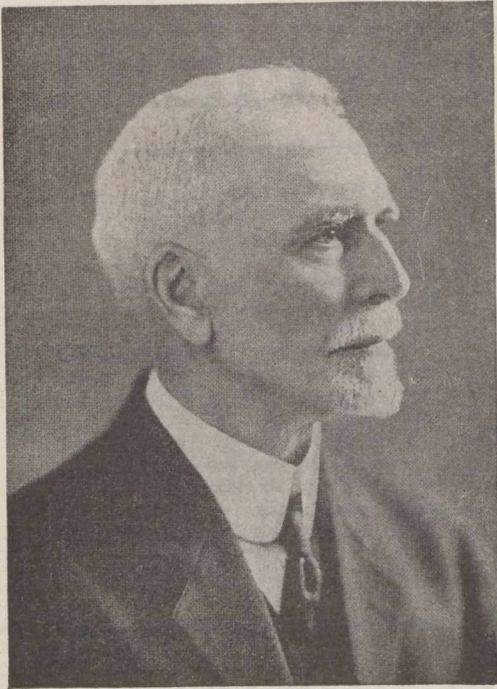
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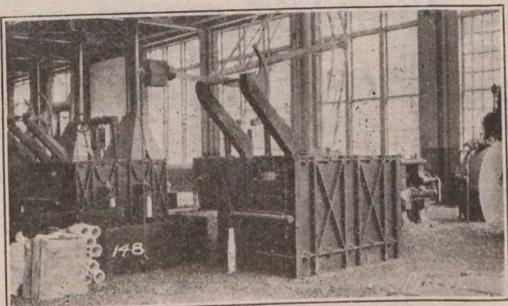
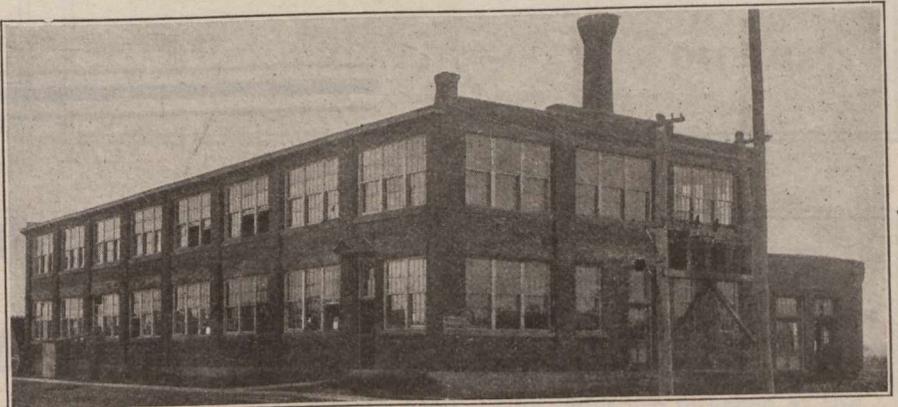
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MONTREAL, CANADA

VOL. XLVII, No. 46.

GARDEN CITY PRESS, TUESDAY, NOVEMBER 18th, 1919.

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The Great Adventure

IT is fair to assume that the scheme of the Government to acquire the Grand Trunk Railway System will be consummated. The agreement to be made between the Government and the company is to be submitted to the company's shareholders for approval, although, strange to say, it is not to be submitted in like manner for the approval of the Parliament of Canada. The shareholders on one side of the bargain—the people of Canada, represented by the House of Commons—must be content to accept whatever their directors (the Government) propose; the Grand Trunk shareholders are not obliged to accept whatever their directors propose, but are to have the right to examine the agreement and then decide whether they will accept it. There is not much room for doubt that in the end they will agree to it. There may be some objection. The holders of the stocks that have to run the gauntlet of arbitration will wonder why another class of shareholders are to be assured of par value for shares for which the market would not pay one-half of that. There may be protests against an arrangement marked by such extraordinary favoritism. But the probability is that the grumblers will in the end decide that nothing better can be done.

So the agreement will in all probability be approved and the Government will in due course become the owner of the Grand Trunk System of more than eight thousand miles of railway in Canada and the United States. As the Government are already the owners of the Intercolonial and the Canadian Northern, the addition of the Grand Trunk will make a Canadian National Railway system of nearly twenty-four thousand miles—a pretty large railway order.

There is no doubt that with a considerable section of the Canadian people this idea of nationalization of the railways is at this moment quite popular. The reasons for favoring such a policy are variable and to some extent conflicting. Many people who have not looked carefully into the facts hastily assume that the operation of the railways will be a profitable business and they think the profits should be taken by the public rather than by the railway companies. Many others take it for granted that under the system of nationalization freight and pass-

enger rates will be substantially reduced. Not a few who are too well informed to accept either of these views see some peril in the Government's undertaking such large railway operations, and endeavor to comfort themselves with vigorous assertions that of course the management of the roads must be "taken entirely out of politics," in other words that the Government and Parliament are to have no voice or part in the business, except to pour millions of the people's money into the treasury of an irresponsible management.

It is a great experiment that the Government are entering upon. Those who feel confidence in its success, who believe that this wide application of the system of public ownership will work satisfactorily, have not studied as carefully as they should the course of events in other countries. Public ownership is an easier proposition in a country governed by autocracy than in a country having democratic institutions. A wholesome despotism would perhaps be the best form of government. Given the leadership of honest and capable men, all public business doubtless could be better done by a small bureaucracy than by our system of popular government. But where is the wise despot whose rule will be cheerfully accepted? Where is the community which is willing to abandon the rights and privileges of the mass of the people and leave things in the untrammelled hands of an autocrat, however honest and wise he may be?

Democracy has its perils and they must be faced. It is folly to suppose that the vast interests of twenty-four thousand miles of Government-owned railways can be "taken out of politics"—that is, taken out of the hands of the politicians, the people's representatives. For a little while any new system may seem to be managed without reference to the politicians. For a little while the representatives of the people may be willing to humbly vote many millions of dollars into the hands of an irresponsible board of management. But the permanent operation of such a policy is impossible. It is flatly opposed to every principle of popular government. Sooner or later the politicians will control this railway business as they control all other public business. And experience has not given Canada much reason to expect that such control of railways will make for either economy or efficiency.

The Treaty at Washington

THE rival parties in the Senatorial contest over the Peace Treaty are coming to close quarters. The Republicans under Senator Lodge were willing to defeat the treaty entirely, but found that a square vote for its rejection could not be had. All proposed amendments to the text of the treaty were voted down. Some of the Senators who were not prepared to vote for textual amendments intimated that, not being fully satisfied with the treaty, they were prepared to support "reservations" on several of the points in dispute. To find words which would satisfy these Senators without destroying or damaging the treaty has been one of Washington's problems. On one important point the "reservation" has been finally put in words. Article 10 of the Covenant of the League of Nations in the treaty reads as follows:

"10. The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression, or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled."

The precise character of this obligation has been much disputed. In the opinion of many it can only mean an undertaking on the part of all the members to go to war if the Council of the League so request. Others have argued that, while it gives the Council a power to advise, it does not oblige any nation to go to war. President Wilson, in one of his Western speeches, spoke of Article 10 as "the heart of the Covenant" and the inference drawn from his words is that any qualification of Article 10 will be regarded by him as destructive of the treaty. The Foreign Relations Committee of the Senate advised that the following reservation be adopted as respects Article 10, and the Senate has by a vote of 46 to 33 approved of it:

"The United States assumes no obligation to preserve the territorial integrity or political independence of any other country or to interfere in controversies between nations—whether members of the league or not—under the provisions of Article X., or to employ the military or naval forces of the United States under any article of the treaty for any purpose unless in any particular case the Congress, which under the Constitution has the sole power to declare war or authorize the employment of the military or naval forces of the United States, shall by act or joint resolution so provide."

What will be the effect of this reservation if insisted on as an attachment to the resolution of ratification is now a question of

deep interest. Many people think the President will regard the reservation as fatal, and that therefore all effort to obtain ratification of the treaty will be abandoned. That is the way the situation presents itself at the moment. There is, however, a possibility that the President may be less emphatic in the matter than some of his friends in the Senate. While he has always insisted on the giving of no quarter to amendments or reservations at variance with the terms of the treaty, he has on one or two occasions suggested that reservations which merely declare the meaning of the treaty as he understands it might be tolerated; they would be regarded as useless, but harmless. The President may say that the reservation on Article 10 is of that character, and he may accept it rather than abandon the whole business.

On several other points there are reservations which will have the support of a majority in the Senate. This one concerning Article 10 is regarded as probably the most important. Much will depend on the President's decision on it.

The Ontario Government

MR. DRURY has succeeded in forming a Government at Toronto, composed of eight Farmer members, two Labor members, and a Toronto lawyer as Attorney-General. An extraordinary Government it is. One of its members has occupied a modest back bench in the Toronto Assembly for a couple of sessions. With that exception not a man in the Cabinet has ever had a day's legislative experience. Only a revolution could produce such a Cabinet. But a veritable revolution there has been in Ontario. Three of the ministers, including the Premier, are not even members of the new Legislature. They have to find seats, which means that some members must be persuaded to retire to make way for them.

So far as routine business is concerned the new ministers will probably have the good sense to put themselves in the hands of their deputies and other chief officials, who will guide them along safe paths. It is when they are called upon to devise new measures and carry them through the Legislature that their trouble will be serious. The United Farmers of Ontario did not dream of winning power. They wanted to have the glorious British privilege of grumbling and criticizing, which are the easiest parts of public life. To their amazement they find themselves obliged to take the responsibility of governing. Instead of being free to find fault in others, they must take up the burden of doing things and receive the criticism they had expected to administer. These conditions cannot fail to have a sobering effect. While the situation is a strange one, and there will be much doubt whether it can be of long duration, there will be a very general desire to give Mr. Drury and his raw re-

cruits in the field of statesmanship every opportunity of proving their ability to manage the public business with wisdom. The men of the old parties in the Legislature will hardly be disposed to offer obstruction. Independent public opinion will demand fair play for the new Government.

Cost of Living

THERE is probably nothing in the world that the average citizen desires more than a reduction in the "high cost of living." Even before the war prices of many commodities had advanced to an extent that was disturbing. The war intensified the trouble, sending prices of nearly everything sky-rocketing. Everybody feels the burden of the situation. Everybody desires to see a reduction in the cost of living—that is, everybody desires it in a general way, but is slow to see the need of reduction in that which he himself produces. Authorities, Dominion, Provincial and Municipal, have been endeavoring in various ways to grapple with the problem and find a remedy for the evil. All, no doubt, have desired to find the remedy. But they have not succeeded. Parliamentary committees, Legislative committees, Municipal committees, Consumers' committees have all been meeting and resolving and reporting. The Board of Commerce has been probing and advising, and sometimes threatening. But what is the net result of it all? Prices are advancing, rather than decreasing. Rents are being raised everywhere.

The publicity given to the proceedings of the various bodies has served a useful purpose. Some sharp dealers, if they have not reduced their prices, have been warned against increase of them. "Profiteering," if such there has been, has in some quarters been checked. Probably some good has been done in this way. In a few cases, reduction of food prices has been brought about. If more has not been accomplished it is not because there is not the desire on the part of the authorities, but because there are economic laws that cannot be overcome. The old law of demand and supply remains. From the world's viewpoint—and world conditions affect all prices—there is still a scarcity of most of the things the world wants. Not until the scarcity is succeeded by abundance can we expect things to be cheaper. Even when abundance comes, it will be a long while before prices can get back to the old level. Indeed a return to the old conditions is neither to be expected nor desired. The whole world's standard of living has been advanced and only that part of it which is manifestly extravagant and wasteful can be remedied. "Produce, produce," is still the watchword. And we may as well make up our minds to bear for some time to come, with whatever equanimity is possible, the burdens of the high cost of living.

How Revolutions Come to Pass

Showing That Mob Action Does not Necessarily Require the Physical Assembling of the Mob—Changes of Sovereignty in Ontario

By J. W. MACMILLAN.

The word "revolution" is often heard nowadays. The thing itself is abroad. Many timorous souls fear least it may break out in our own land, while some enthusiastic zealots think that all that is needed to correct the ills of life is for an able-bodied revolution to get into operation. In view of these interesting facts a few lines about revolution may not be out of place.

First, then, what is a revolution? It is a change in the location of sovereignty. If the seat of power is altered, in any way whatever, it is a revolution. The method of effecting the change is unimportant. It may be done quietly, so that one scarcely knows that it has been done at all, or it may be done through arson and the shedding of blood. The thing to mark is not how it comes about, but whether all the fuss and tumult have effected a change of the rulers.

Primitive people never have revolutions. They may be conquered by enemies from outside, but they have no class-struggles. Their social condition is static, and change has no place in it. Every student of ethnology knows that the barbarian peoples of earth are indurated in custom and one generation but repeats the career of its predecessor. This is the essential difference between civilization and barbarism, that civilization moves from age to age while barbarism remains as it was. The savage of to-day gets no richer inheritance from his fathers than did his ancestors of a hundred years ago. But each generation in civilization is wealthier than its predecessor.

Should be open to change.

Thus civilized peoples need to be on their guard against errors in making progress. They should expect social changes, and provide that they come. New devices and inventions of social arrangements should be as eagerly welcomed as new mechanical inventions. Some similar sifting process, by which the useful may be separated from the useless or harmful, should be set up. For not to change is to invite revolution. Civilization is a flowing stream, and disaster follows attempts to dam its flow.

The essential for social progress is freedom. Free discussion, free opinion, free opportunity—where these exist progress will be gradual and orderly. Where they are forbidden beware of revolutions of the catastrophic type.

It is not always a government which attempts to curtail the liberty of speech, press, assembly and opinion. Undoubtedly, governments have done so, and dearly have some of them paid the penalty for their mistake. So Russia sinned, and fell. With such a nation as our own this repression of freedom, if it takes place, is more apt to come through public sentiment. If the government acts, it will not issue the ukase of a despotic person or a parasitic bureaucracy, but will register the will of a dominant majority. Then the waters begin to deepen at the barriers. Ugly eddies form the swirl about. There is danger.

The British Tradition.

We have, in Canada a noble tradition of freedom, derived from our British ancestry. The nineteenth century was one long illustration of the effectiveness of that safety-device in the political sphere. When there was fighting in the streets of every other European capital there was peace in London. One after another a succession of changes took place, new adaptations and adjustments between classes, new distribu-

tions of the national power and wealth, and all without turmoil and civil war. It is a wonderful record, and bids fair to be maintained through the present days of post-war distraction and upheaval.

The continuance of any civilization can never be underwritten. Since man first began to write his literatures and cultivate his tastes many a civilized city or nation has been destroyed. Buried cities are being unearthed which disclose relatively high cultures reached three or four thousand years ago. And every high school pupil knows that the classical civilization went under. It is sometimes said that these perish under assaults from without, and that we, who are not surrounded by similar seas of barbarism, are safe and certain to endure. But the fact is that these civilizations were overthrown quite as much because of internal disputes as because the enemy raided them from without. No civilization is safe from itself. The political structure of the best of them is frail. It is always possible that instinctive forces may be released, stimulated under crowd conditions to unbridled fury, which will destroy the work of centuries and drive the people down into primitive savagery. During the dark ages in Europe the learning of Greece had been so far forgotten that no one knew how to find the square of a triangle.

Three Motives of Revolt.

There appear to be three forms of disability which drive a subject class to revolt. They are diversity of interest from the ruling class, contrast of means, and great inequality of opportunity. Without these three, it may be held, there will be no desperate rebellions. It cannot be denied that certain groups in our midst believe themselves to be discriminated against in all the three. But it may serve to calm some fears to point out that the recent victories of the farmers in the elections do not bring into power a class possessing all three qualifications. They may claim diversity of interest from other classes which have been more prominent in government than they. In contrast of means, however, the distinction is not so clear. Farmers are a property-owning class, and however their gains may fall short of their wishes, or of a fair return upon their investments, they are not economically helpless or bankrupt. In the respect of the third, it is recognized that the farmer's son finds a shorter road to the chief seats of wealth and power than any of his fellows. The rise to power of the U. F. O. may be a revolution, but it is not a catastrophic one.

Safe Path For Ruling Class.

There will always be a ruling class. Mankind acts through leadership. And this class is not necessarily an economic one. It has often been a priestly caste, or a military group. In modern lands, with popular institutions, it tends to become a class of experts in the management of political affairs. But, whether it be a king, or a plutocracy, or a priesthood, or an association of professional politicians, the way of safety is for them. It is to rule for the country's good. And the way of peril is the same for all. It is to become parasitic, and live in idleness and splendor on the labors of those they govern. Genuine public service endures, while exploitation perishes. Thus history confirms the dictum, "He that

would be greatest among you, let him be the servant of all."

Above all things modern civilization should dread mob action. For a mob is a condition of social disorder which inhibits the restraints which normally govern human behavior. The mob does not inflame its members, as is commonly said. It rather removes the check-drafts which custom, ceremony, law, religion and imitation impose. A mob means anonymity. It means heightened suggestion. It throws off the curtain of rationality, and bares the naked instincts, developed during the savage and barbarian periods of human history.

It is evident that we are in peculiar peril of mobs. For one thing, the last century has seen the building of cities on an unprecedented scale. Never before, in the history of the world, were people so grouped in masses. Never was it so easy for the fever to run through large populations.

For another thing, communication has developed to such an extent that the suggestion spreads with a speed and to an extent which have been impossible hitherto. And the newspapers, in their exploitation of "news sense", feature those very items of thought which are most welcome to the unleashed instincts. The cry of "profiteer", played up by the press for months, had a big share in causing the Winnipeg strike. Yet the notion of profiteering is irreconcilable in any logical way with the creed of those who impelled the strike. For they taught that all wealth had been stolen from the producer. They allowed no rights whatever to the consumer.

Mob Action Without Mobs.

It is false, also, to suppose that mob action necessarily requires the assembling of the mob. The same phenomena, though probably with less haste and violence, may be produced by means of communication through conversation and print. It is so with fads and fashions, which continually run through vast and scattered populations. And it may be said so with political and economic beliefs.

Thus the apparently leaderless action of masses of humanity is explained. I read in the paper of the morning upon which I write this article that the coal miners' strike in the United States is proceeding without the assistance of the labor leaders. The same thing happened in Britain, not long since. The same thing happened in Winnipeg, where the leaders were amazed at the response to their propaganda. Many workers, mostly of an unskilled and volatile type, whom they had not personally touched, flocked to the Labor Temple to be organized, or left their jobs when the hour struck for the "down tools."

Civilization is unstable. We live on a crust of lava. The fires burn constantly underneath. It is sheer madness that the possessing and ruling classes should selfishly sit tight and resist all change, for fear that in the new deal they should suffer some loss of wealth or prestige. After such conduct comes the deluge.

DIVIDEND NOTICE.

CANADIAN GENERAL ELECTRIC CO. LIMITED.

COMMON STOCK DIVIDEND NO. 82

NOTICE is hereby given that a quarterly dividend of two per cent. for the three months ending the thirty-first day of December, 1919, being at the rate of eight per cent. per annum, has been declared on the Common Stock of the Company.

The above dividend is payable on and after the first day of January, 1920 to shareholders of record at the close of the business on the eleventh day of December, 1919.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, November 13th, 1919.

Wealth of Canada Analysed

Dominion Statistician R. H. Coats Suggests an Estimate of Over 14 1-2 Billion Dollars as Probably Correct

Perhaps the greatest surprise in the greatest of all wars has been the terrific financial strain under which the nations proved able to stand up. "Billions" has now passed definitely into ordinary language. Concurrently there has been an appeal to statistics, and more particularly to the statistics of that latent economic strength which alone permitted the burden to be borne, on a scale never before witnessed. Italy, looking at close hand on the Statistisches Reichsamt as a German weapon, reorganized her statistics as a war measure. It was a British Commissioner to the United States who, in 1917, declared that statistics were winning the war for Great Britain—and even in conservative England some permanent reorganizations have been effected that did not spare the sacred vested rights of Government departments. It is safe to say that in the United States the scope of official statistics doubled during the year which followed the entry of that country into the war. Throughout, the point of view (hailed somewhat unaccountably as new) was that statistics are of value for planning what has been. It is on the financial aftermath of the war that this new interest in statistics is at the present moment being brought to bear.

The fundamental consideration is, of course, the wealth of the several countries—whether the point of approach be that of the peace negotiator seeking to know what indemnities can be imposed, that of the Finance Minister anxious to learn what and how much taxes can be endured, that of the capitalist who must measure the changing yield of investments under the revolutions of war, or that of the sociologist concerned in the relative distribution of wealth on which hinges so much of the prevailing unrest. A stream of calculations and estimates has been poured forth during the past year on this subject. It is the purpose of the present article to review the latest and undoubtedly the best of these, a paper by Dr. J. C. Stamp appearing in the July issue of the Journal of the Royal Statistical Society. Dr. Stamp is a distinguished statistician, late of the British Civil Service, where he was for several years Assistant Secretary of the Board of Inland Revenue (the administrators of the Income Tax), and the data which he has brought together with so much acumen and research is worthy of the widest possible circulation.

There are four methods commonly in use for computing national wealth. The most familiar of these (sometimes called the "Giffen" method) is that of working back at 26 times its annual yield, houses at 15 times, and so on. This involves a rather arbitrary basis of calculation, and it can be applied, of course, only in countries where incomes are rather thoroughly appraised for taxation purposes. Canada has joined the list of income-taxing States since the war, but the instituting of an income tax is a slow process, and some time must elapse before its data can be regarded as comprehensive. A second method is the so-called "inventory" method, which consists of totalling the amounts known through the census and various other inquiries to be invested in agriculture, manufactures, dwellings, etc., etc. The United States has been a leading exponent of this method for some time past. Its defects lie in the danger of overlapping, in the difficulty of being sure that ownership is within the country, and in what Dr. Stamp terms "the divorce from all tests of profit-earning capacity." A third method is the estimating of wealth from probate returns; the amount of probated and administered property in a given year is collated with the number of deaths and the results regarded as a measure of the

wealth of the general community. Finally, there is the census method, doubtless the best of all, as it is based on canvass of the individual. Dr. Stamp's paper consists of a comprehensive yet concise critical analysis of the data available in the leading countries of the world, whether by one or other of these methods or through still additional avenues which he indicates.

Naturally our interest is keenest in the showing which Canada makes in such a survey, and it is to this feature we may here chiefly turn.

Dr. Stamp's statistics for Canada are those which appeared in the Journal of the Canadian Bankers Association for January, 1916, representing, as he points out, the only "reasoned inventory" of the country's assets then available. There has been a considerable shift in values since 1916 and some additional official statistics have appeared that bear on the matter. It will be of interest, therefore, to review the Journal's calculation in the light of present information, though the figures may be allowed to stand in Dr. Stamp's general review as synchronizing with the majority of his other data. The statistics in detail, as quoted by Dr. Stamp, are as follows:

1. Farm values (lands and buildings), 1911 census	\$3,343,000,000
2. Mines and forests (based on value of products), 1911.....	800,000,000
3. Steam and electric railways (15 times net earnings)	1,125,000,000
4. Urban real property, 1914.....	3,000,000,000
5. Manufacturing machinery	300,000,000
6. Live stock and implements, 1911.	888,000,000
7. Stocks of raw materials and manufactured goods, 1911	800,000,000
8. Household furnishings, clothing, carriages, motors, etc.	600,000,000
9. Specie, 1914	160,000,000
10. Investments abroad, railways, public utilities, etc.....	100,000,000
	\$11,116,000,000

There are several items in the above that invite comment. First of all, "farm values" including items 1 and 6, namely, agricultural lands, buildings, implements and live stock, as usually united in census valuations of farm property) are undoubtedly low for to-day. The Western census of 1916 showed that in the three Prairie Provinces there was an increase of 21.55 per cent in farm values in the five years alone which had elapsed since the census of 1911. Progress was perhaps more rapid in the West than in other parts of Canada, but it would seem safe to apply for the nine years that have passed since 1911 a general increase of 20 per cent. This would bring the total for the two items to \$5,078,208,763, instead of \$4,231,840,636 (the actual 1911 census return).

With regard to the second item also, seeing that the value of mineral production and of products like sawn lumber, pulp, etc., has more than doubled since 1911, it would seem advisable to bring the figure \$800,000,000 to at least \$1,200,000,000 if present-day conditions are to be reproduced. The fishing industry, it may be noted, is not represented in the table, though it represents a total capital of \$47,143,125 invested in boats, traps, gear, etc.

The value of steam and electric railways (item 3) is, of course, a guess, but if cost of construction circumstances, one might be inclined to set it higher than the statistic given, say, \$1,500,000,000. Canals to the value of \$125,000,000 and shipping to the value of \$35,000,000 are omitted from the table, as are also telegraph and telephone systems to the value of over \$100,000,000.

Urban real property (item 4) is also low. The indescribable confusion that prevails in our municipal statistics makes it impossible to venture anything beyond a surmise, but an investigation based on the assessments of 140 leading localities in 1917 led the Bureau of Statistics to make a total estimate of \$3,500,000,000 as the value of real estate and buildings in cities and towns.

Coming to item 5, the value of manufacturing machinery was shown by the industrial census of 1917 to be \$567,262,538 instead of \$300,000,000.

Item 7, "stocks of raw materials and manufactured goods," is low. The industrial census, 1917, shows that for manufacturing establishments alone the value of "materials on hand, stocks in process, finished products on hand, fuel and miscellaneous supplies" was \$745,546,310. If we apply the proportion of one-third suggested in the Journal to other fields of production, we would obtain an additional value of \$500,000,000 as representing the stored products of the farm, the fisheries and the mine, and a grand total of over \$1,200,000,000, as representing current producers' goods and supplies in hand. (In the United States, it may be remarked in parenthesis, the practice in such calculations is to include a larger proportion of the year's products, which would run the figure in Canada to, say, three billions.)

"Household furnishings, clothing, carriages, motors, etc." (item 8), on the analogy of United States estimates, would reach \$800,000,000.

Under the heading "specie" (item 9), it may be pointed out that the coin and bullion held by the Receiver-General in 1918 amounted to \$119,000,000, whilst that of the banks was \$79,000,000, and the value of token currency was estimated at \$12,000,000, a total of \$210,000,000 instead of \$160,000,000.

The last item in the table is puzzling unless deduction is to be made for similar investments in Canada held abroad. On the other hand, the table takes no account of imported merchandise in store, which possibly amounts to \$250,000,000. I would suggest the substitution of the latter for the present item 10.

Revamped as above, the table would appear as below, representing, it will be noted, an increase in the total estimate to fourteen and three quarter billions—or, say, sixteen billions, if the more generous provision for current production be admitted. It must be stipulated, of course, that the above calculations are of the most rapid description and should be regarded as indicative rather than accurate.

Farm values (lands, buildings, implements and live stock).....	\$5,078,208,763
Mines and forests	1,200,000,000
Fisheries (capital invested).....	47,143,125
Steam and electric railways	1,500,000,000
Canals	125,000,000
Shipping	35,000,000
Telegraphs and telephones	100,000,000
Urban real property (based on assessments of 140 localities)....	3,500,000,000
Manufacturing machinery	567,262,538
Stocks of raw materials and manufactured goods	745,546,310
Stored products of the farm, fisheries and the mine	500,000,000
Household furnishings, clothing, carriages, motors, etc.	800,000,000
Specie	210,000,000
Imported merchandise in store.....	250,000,000
	\$14,658,160,736

Such statistics have their interest greatly enhanced by comparisons with other countries. There is space in the present review only for Dr. Stamp's table of recapitulation, which, it may be repeated, is of date 1914, as the point of time from which for many years to come most changes and developments will be measured.

(Continued on Page 16.)

Ships and Shipping in Canada

Getting Into S. African Trade

**British Trade Commission Makes Recommendations which
Should be Noted by Canadian Exporters**

There is much to interest Canadians in the report of the British Trade Commissioner to South Africa for 1918, just published in England. Canada shows up well in the list of countries newly competing with Great Britain for South Africa trade in various lines, and the comments of the consumer on the lack of any special privileges granted to Canadian exporters are illuminating.

The imports from the United Kingdom amounted in value to £25,662,276 in 1918, as compared with £18,230,400 during the previous year, but the increase was due principally to the enormous rise in the value of cotton piece goods.

The average of the yearly contributions by the United Kingdom to the total value of the imports into the Union during the last three years was 55.1 per cent., as compared with an average of 56.8 per cent. for the three years immediately preceding the war. But during the period of the war the competition of Germany (whose trade during the three pre-war years showed a yearly average of 9.2 per cent to the total value of the imports) was eliminated, so that the actual position of the United Kingdom during the last three years as compared with the three pre-war years was less satisfactory than the comparative percentages denote. On the other hand, it is remarkable, in view of the restrictions placed upon the manufacture and exportation of many articles, that the United Kingdom has succeeded in retaining so large a share of the trade.

A comparison of the average yearly value of the total trade of other British Possessions for the same years shows that there was an increase in the percentage to the total imports of 2.4 per cent during the last three war years. The increase was, however, due almost entirely to the increase in the average yearly value of the import trade with India, and, to a lesser extent, to the increase in the value of the import trade with Canada. On the other hand, there was a considerable falling off in the value of the import trade with Australia, for which the inadequate shipping facilities between the Commonwealth and South Africa were mainly responsible.

If the comparison is applied to the value of the import trade of the Union with foreign countries collectively, the difference in the average value over the two periods is too slight to be worthy of mention. But if these foreign countries are dealt with separately the altered conditions are impressive. Trade with Germany was, of course, discontinued, and the value of the trade with Holland was materially reduced. On the other hand, the position of Sweden improved, and whilst the value of the imports from the United States of America has increased twofold, the value of the imports from Japan increased tenfold. But having regard to the small pre-war trade with Japan (which only showed an average 0.3 per cent of the value of the total imports as compared with 8.9 per cent—which represented the proportion of the imports drawn from the United States), it will be seen that the competition of America with the United Kingdom has been far more severe than that of an other country.

Competition between the United Kingdom, the United States of America and Germany was keenest before the war in hardware, machinery, and other iron and steel manufactures, and the extent to which the positions have been affected by

war conditions is shown in an Appendix to the Report.

The following is a list of the principal articles, in addition to the articles mentioned in the previous paragraph, in respect of which either new competition has been introduced during the war by the countries named or the pre-war competition of these countries has been accentuated during hostilities, viz.:—

Principal articles:

Iron and steel—bar, bolt and rod, pipes, piping and fittings, U.S.A. and Canada.

Iron and steel—hollow steel, U.S.A. and Sweden.

Iron and steel—plate and sheet, rolled steel reinforcement for concrete, U.S.A.

Railway material (Government)—Locomotives, U.S.A.

Railway material (Government)—Rails, U.S.A. and Argentine.

Fencing standard, bolts, nuts and rivets, horse shoes, U.S.A. and Canada.

Electrical material, U.S.A. and Japan.

Electrical fittings, U.S.A., Japan and Holland.

Enamelware, U.S.A., Japan, Holland and Sweden.

Copper manufactures and brass manufactures, U.S.A. and Japan.

Motor cars and parts, motor bicycles, U.S.A.

Instruments, mathematical and scientific, apparel and slops, Japan.

Cotton piece-goods, U.S.A., Japan and India.

Cotton blankets and rugs, Japan, India and Holland.

Cotton shawls and shawling, Japan.

Cotton hosiery, U.S.A. and Japan.

Woollen cloth and piece-goods, woollen blankets and rugs, silk piece-goods, Japan.

Silk hosiery, U.S.A. and Japan.

Linen manufactures, gloves and mittens, hats and caps, other than straw, Japan.

Leather, U.S.A. and Argentine.

Leather manufactures, Japan.

Boots and shoes (men's), U.S.A., Japan and Argentine.

Boots and shoes (women's), U.S.A. and Switzerland.

Boots and shoes (children's), U.S.A. and Switzerland.

Glass bottles and jars, Japan.

Plate glass, U.S.A.

Window glass, U.S.A. and Japan.

Glassware generally, Japan and Holland.

Earthenware and China, Japan.

Brushware, Japan and Canada.

Drugs and chemicals, Japan, Canada and Australia.

Toys, U.S.A. and Japan.

Fancy goods, Japan.

Stationery, U.S.A. and Japan.

Beads, Japan and France.

Cordage and rope, binding twine and harvest yarn, Australia.

Perfumery, U.S.A. and France.

Corks and bungs, U.S.A. and Portugal.

Clocks and watches, U.S.A., Switzerland and Japan.

Paper, wrapping, U.S.A., Canada, Sweden and Norway.

Paper, printing, Sweden and Norway.

Oils, linseed, Canada, India and Argentine.

Confectionery (fancy), starch, U.S.A.

Paints and colors, U.S.A. and Canada.

Varnishes, Canada.

Glue, Argentine and Brazil.

Milk, condensed, U.S.A.

The restrictions placed upon the manufacture and export of certain articles, hitherto supplied by the United Kingdom, and the resultant diminu-

(Continued on Page 27.)

MARCONI WIRELESS APPARATUS

Installed—Operated—Maintained

Contractors to Canadian, Newfoundland and British Governments.

MARINE SWITCHBOARDS

Made and installed

**THE MARCONI WIRELESS
TELEGRAPH COMPANY
OF CANADA, LIMITED,
173 William Street, Montreal.**

Davie Shipbuilding & Repairing Co., Ltd, Lauzon, Levis, P.Q.




**TRAWLER
LAUNCHED
AT OUR
YARD**



International Trade of Canada

Great Aid in Woollen Exports

Services of an Efficient Trade Organization Like the
Canadian Woollen Manufacturers' Association
Are a Benefit to Industry and Nation

Organized a year ago for the purpose of looking after the welfare of the woollen trade in Canada and providing a clearing house for export orders, the Canadian Woollen Manufacturers' Association, head office Hamilton, reports through its secretary, Mr. F. H. Yapp, that it has handled over ten million dollars worth of export business for Canadian industries since the war ceased. The Association has now fourteen representatives in Europe, South America and other countries reached by the operations of the Canadian woollen industry, and another representative has been secured for South America in the person of J. E. Therriault of Montreal, who sails this week. Mr. Therriault is a graduate of Louvain and McGill Universities, is an expert linguist and has travelled extensively in Europe for English companies.

A circular just issued by the Association gives the following summary of the aims and activities of the organization:—

"Canadian-made textiles have entered the world's market, and through the Canadian Woollen Manufacturers' Association a really comprehensive service to large buyers is offered. Upwards of one hundred mills are members of this Association. Their combined capital investment is over fifty million dollars. These mills employ over twenty thousand operators whose annual wages amount to more than twelve million dollars and in 1918 the value of their finished products was nearly seventy-five million dollars.

WHAT "COWMA" ACCOMPLISHED.

"The Canadian Woollen Manufacturers' Association came into existence during the Great War for the purpose of promoting better co-operation between manufacturers and the Canadian War Purchasing Commission at a time when there was urgent need of large supplies of clothing for the Canadian Army in training and overseas. By bringing together the combined facilities of Canada's largest mills under an executive committee a three-fold objective was attained—firstly, better service through large deliveries quickly made; secondly, standardization of products; thirdly lower prices than individual tenders could possibly be. In short, the Canadian Woollen Manufacturers' Association got the goods for the army when they were needed and at the same time eliminated the possibility of profiteering on Government contracts. These facts are heartily endorsed by the Canadian War Purchasing Commission.

"With the approval and support of the Canadian Trade Commission the energies of this Association are now devoted to the purpose of cultivating export business by supplying the countries of Europe and elsewhere with needed merchandise which the manufacturers of Canada are so well equipped to make. Already representatives of this Association are located in nearly every country in the world. The Canadian Woollen Manufacturers' Association has supplied large quantities of goods to the armies of Canada, Great Britain, France, Italy, United States and Greece and to the civilian population of Great Britain, France, Belgium, Roumania, Australia, New Zealand, British West Indies and Africa.

WIDE VARIETY OF PRODUCTS.

"The products of the various mills represented by the Canadian Woollen Manufacturers' Association include worsteds, serges and woollen cloths of all kinds; men's women's and children's knitted underwear in wool, cotton and silk in almost endless variety; men's women's children's hosiery from the finest silk to the heaviest woollen; sweaters and cardigan jackets from the finest sport coats to the heavy woollen garments suitable for the coldest climates; woollen yarns of all varieties for hand knitting and mending; woollen shawls; golf stockings; face cloths; towellings; eiderdowns; lumbermen's socks; felt goods of all descriptions, buffalo robes, curl cloth, house, army and stable blankets, etc.

REALLY EFFICIENT SERVICE.

"Being comprised of such large membership manufacturing such a wide variety of merchandise the Canadian Woollen Manufacturers' Association can take care of the whole of the requirements of the largest establishment and can guarantee most prompt deliveries. No order is beyond its capacity. At the present time several export orders, in all upwards of six million dollars, are being executed simultaneously. The Canadian Woollen Manufacturers' Association guarantees that every order will be filled in exact accordance with the specifications supplied or with samples submitted. A competent staff of inspectors follow the goods through the various mills, always with the interests of the buyer in mind. Each detail is carefully checked so that thorough satisfaction is assured.

INDUSTRIES WELL ORGANIZED.

"Canada is better equipped than most countries to supply textiles for export during this world scarcity of merchandise. Its industries have been kept running to fully capacity during the war period, and are now well organized to look after export orders. Canadian mills are thoroughly modern in every respect and the work people highly skilled. Trading with Canada through the Canadian Woollen Manufacturers' Association is a guarantee of lowest prices, prompt shipment and large deliveries. Probably no organization in the world has such large and varied equipment at its disposal. Correspondence is solicited.

"Letters addressed to our foreign representatives, care of any of the branches of the Royal Bank of Canada at London, Paris or Barcelona in Europe or at any of its several addresses in South America and the West Indies, will be promptly forwarded, and letters addressed to representatives in care of the Canadian Trade Commissioner in the different countries will receive attention more quickly than if sent to the head office."

CONSTITUENTS ARE AT FAULT.

The present Government no doubt is a Government of the classes, but let labour ask itself who put it in power. And let it not seek to amend the deficiencies of its followers in the use of the constitutional means by substituting unconstitutional means. It is not the Constitution that is at fault, but the carelessness of the constituents.—Manchester Guardian.

Wealth of Canada Analysed.

(Continued from Page 14.)

Summary table showing the estimated wealth of various countries at the outbreak of war in 1914, and the approximate accuracy of the respective estimates.

Country.	Estimates based on the work of	#Approximation to accuracy: Grade No.	Amount in million £	Amount per head of population £.
United Kingdom.	Stamp	I	14,500	318
United States....	Official, King	II	42,500	424
Germany.....	Helfferrich, &c.	II	16,550	244
France.....	Pupin, Thery	II	12,000	303
Italy.....	Gini	III	4,480	128
Austria-Hungary	Fellner	III	6,200	121
Spain.....	Barthe	IV	2,940	144
Belgium.....	Official	III	1,200	157
Holland.....	Stuart	III	1,050	167
Russia.....	Neymarck	IV	12,000	85
Sweden.....	Flodstrom			
	Fochlbeck	III	940	168
Norway.....	Gini	IV	220	90
Denmark.....	Gini	IV	500	176
Switzerland....	Gini	IV	800	205
Australia.....	Knibbs	I	1,530	318
Canada.....	Bankers' Journ.	II	2,285	300
Japan.....	Stamp	IV	2,400	44
Argentina.....	Bunge	III	2,400	340

Grade No. 11.—Estimate is not likely to be inaccurate to a greater extent than 20 per cent.

Grade No. III.—Estimate is not likely to be inaccurate to a greater extent than 30 per cent.

Grade No. IV.—Estimate may be inaccurate to a greater extent than 40 per cent.

Investigations of this character search out the gaps and weak spots in official statistics. Notwithstanding the importance of the subject, few countries during the continuance of the war gave it new or developed treatment. A notable exception, however, occurred in the case of Australia, whose "War Census" of 1915 not only yielded a complete registration of man-power, but was an exhaustive inquiry into the national wealth and income. The report of that Census, issued about a year ago, is probably the most complete body of information of the kind relating to any one country, whilst in the accompanying discussion, Mr. G. H. Knibbs, the Commonwealth Statistician, makes a permanent contribution to the literature of statistical method. Australia, it may be explained, came late to the framing of a constitution (1905)—sufficiently late to be aware of the importance of statistics and of the necessity of providing for them by means of a distinct statistical department. It was not until last year that similar organization was achieved for Canada by the Act establishing the Dominion Bureau of Statistics. Given time to develop, the Bureau, it may be hoped, will play a similar effective role in the study of administrative problems in Canada.—From Canadian Bankers' Association Journal.

* Grade No. 1—Estimate is not likely to be inaccurate to a greater extent than 10 per cent.

A BIG GROUP POLICY.

The Travelers' Insurance Company has insured about 3,000 employees of the Washburn-Crosby Company, Minneapolis, under the group form.

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

Banks, Bankers and Banking

Royal Bank Now Paying 14 P.C.

Two P. C. Bonus Added in Latest Declaration, but is Considered to be a Fixture

To commemorate the fiftieth anniversary of the founding of the bank, a special bonus of 2 per cent, has been declared by the Royal Bank of Canada and will be paid on December 20th to shareholders of record at the close of business on November 29th.

This will make a total distribution for the current year of 14 per cent.

November 30 is the end of the Royal Bank's year and it is understood that the annual statement, which will be published next month, will show very satisfactory results. The bank has long been in a position to make a larger distribution to shareholders had the general condition of the money market warranted it. Its earnings in 1918, for instance, were 18½ per cent. At 216 ex-

dividend and ex-bonus, as quoted on Saturday, the stock seems abnormally cheap. Very little doubt can be entertained that the 14 per cent rate now established is a fixture, in spite of the 2 per cent being earmarked as merely a bonus; for the big Canadian banks never embark on a distribution of this kind unless they have the confident expectation of being able to maintain it in face of any new condition short of a world catastrophe. The Royal went on a 12 per cent basis in 1910 and has steadily maintained that rate ever since. At 216 the yield is almost exactly 6½ per cent. As soon as the market price has adjusted itself to the new distribution, there is a strong probability of a further stock issue which would convey at least a few points in "rights" to existing shareholders.

British Capital is Now Free

Cables last week brought news that the last restriction on the export of British capital has been removed by the Board of Trade. A general license has been granted permitting the issue of capital for which special licenses from the Treasury were hitherto required. Two months ago the export of British capital was permitted, but there was still in existence a provision of the Defence of the Realm Act which required a license from the Treasury for issue on the British market of any stock, the proceeds of which were to be spent outside the United Kingdom. The permission of the Stock Exchange afterwards had

to be obtained before dealings were permitted in the new issue. It is understood the latter body will now fall in line with the Board of Trade.

The only obstacle to a large movement of British capital to Canada now is the exchange situation. The London Stock Exchange is now experiencing the biggest boom in years and it appears there is any amount of capital, but speculative issues, such as rubber and oil, have been the attraction rather than investments. In general it can be said Canadian issues have not participated very much as yet in the excitement.

BANK BRANCHES IN SEPTEMBER.

The total number of branches opened by Canadian banks in September, 1919, was 104, according to Houston's Bank Directory. Of this number, 42 were sub-agencies. Seven branches were closed, four being sub-agencies. The Royal Bank of Canada is the first on the list with a total opened of 16, the Bank of Hochelaga second with 15, and the Merchants Bank of Canada third with 14. Out of the 104 branches, 56 were opened in the western provinces, 42 in Ontario and Quebec, 4 in the Maritimes and 2 in Cuba. The following table shows the number of branches opened by each bank for the month:

Royal Bank of Canada	16
Bank of Hochelaga	15
Merchants Bank of Canada.....	14
Imperial Bank of Canada	11
Union Bank of Canada	10
Bank of Montreal	8
Standard Bank of Canada	6
Canadian Bank of Commerce	5
The Bank of Hamilton	3
Molsons Bank	3
Provinciale Bank	3
Dominion Bank	2
Bank of Toronto	2
Home Bank of Canada	2
Bank Nationale	2
Bank of Nova Scotia	1
Sterling Bank of Canada	1
Total	104

The branches closed were:

Cessford, Alta.	Union Bank of Canada.
Eastwood, Ont.	Merchants Bank of Can.
Ebenezer, Sask.	Royal Bank of Canada.
Fisher Branch, Man.	Bank of Hochelaga.
Leeds Village, Que.	Bank of Hochelaga.
Merna, Alta.	Bank of Hochelaga.
Valley Junction, Que.	Merchants Bank of Can.

COMICS, NOT ECONOMICS.

(Toronto Saturday Night.)

After viewing the work of the Board of Commerce for some weeks, one can scarce resist the inclination of suggesting that they enter the vaudeville circuit. There they could amuse without danger to the community. Out in the West representatives of the Board are investigating the small town retailer, who in due course will probably leave sufficient to bury him decently. In the East the restaurants are now receiving the Board's attention. The Board's representatives, at comfortable salaries, no doubt, are trying to look wise over the question as to why ham and eggs are thirty-five cents in one eating house and forty-five cents in another. There have been long dissertations as to how long a coffee mug is good for before going into the discard, and no doubt the question as to the admissibility of a Hamburg steak under the League of Nations will sooner or later be taken up, as will also the advisability of cutting bread on the bias when Limburger cheese is utilized as a filler for the sandwich. There are great possibilities for this Board of Commerce but it does not lie in the realm of economics.

ESTABLISHED 1872
Bank of Hamilton

Head Office: HAMILTON

Capital Authorized... .. \$5,000,000
Capital Paid Up (July 31st, 1919). \$3,946,220
Reserve and Undivided Profits
(July 31st, 1919) \$4,058,224

**BUSINESS
LARGE & SMALL**

This Bank is equipped to render complete banking facilities to individuals, partnerships and companies, both large and small. With branches throughout every province of Canada, and correspondents in all parts of the world, your banking business will be handled with promptitude and at the minimum of expense.

Our facilities are at your disposal.

**THE CANADIAN BANK
OF COMMERCE**

498 BRANCHES.

PAID-UP CAPITAL - - \$15,000,000
RESERVE FUND - - \$15,000,000

**The Royal Bank
of Canada**

Incorporated 1869

Capital Paid-up \$ 17,000,000
Reserve Funds \$ 17,000,000
Total Assets \$480,000,000

HEAD OFFICE: MONTREAL.

SIR HERBERT S. HOLT, President.
E. L. PEASE, Vice-President and Man. Director.

C. E. NEILL, General Manager.
615 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, BRITISH WEST INDIES.

SPAIN, Barcelona—Plaza de Cataluna 6.
PARIS AGENCY—28 Rue du Quatre Septembre.

LONDON, Eng. NEW YORK
Prince Street. E. C. 68 William Street.

SAVINGS DEPARTMENT at all Branches

Business Founded 1795

**American Bank Note
Company**

Incorporated by Act of the Parliament of Canada.

ENGRAVERS AND PRINTERS
BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
and other MONETARY DOCUMENTS.
Head Office and Works: OTTAWA.

Branches:—
MONTREAL, Bank of Ottawa Building.
TORONTO, 19 Melinda Street.
WINNIPEG, Union Bank Building.

Banks, Banking and Bankers

C. A. Bogert Heads Bankers

Dominion Bank's Chief Executive Succeeds E. L. Pease, Who Becomes Honorary President

At the annual meeting of the Canadian Bankers' Association, held last week, Mr. E. L. Pease, managing director of the Royal Bank of Canada, retired from the Presidency after filling that position for the past three years. Mr. C. A. Bogert, Toronto, general manager of the Dominion Bank, was elected to the office in conformity with the usual rotation followed by the Association in alternating its choice between Montreal and Toronto bankers. Mr. Pease was made an honorary president of the Association.

The vice-presidents elected at the meeting were as follows:—Sir Frederick Williams Taylor, general manager of the Bank of Montreal; H. A. Richardson, general manager of the Bank of

Nova Scotia; Sir John Aird, general manager of the Canadian Bank of Commerce, and C. E. Neill, general manager of the Royal Bank of Canada.

The president and vice-presidents, together with Edward C. Pratt, general manager of the Molsons Bank, and J. P. Bell, general manager of the Bank of Hamilton, constitute the executive committee of the association.

Clarence A. Bogert is as much of a Montrealer as a Torontonian, having been in charge of the Montreal office of the Dominion Bank from 1898 to 1906, when he was appointed to the general managership. He was born at Napanee in 1864, and educated at Trinity College School, Port Hope.

Strange Case for Commerce Board

As was not expected by those familiar with the situation, the immense scope accorded to the Board of Commerce is causing it to be invoked in questions very foreign to the subjects most in the minds of legislators when the Act was passed. The most important of these up-to-date is the application of the Laco-Phillips Company, which involves questions of the utmost delicacy, which would in ordinary circumstances have to be settled by a regularly constituted court. The application came up for hearing in Ottawa last week.

According to Mr. A. W. Anglin, K.C., who is representing the applicant, the Canadian General Electric refuses to sell drawn tungsten wire to Laco-Phillips Company and owing to the fact that conditions in Europe prohibit his clients from importing the wire from Holland, it is unable to manufacture incandescent lamps. The claim is that the General Electric, holding the monopoly, may force the Laco-Phillips Company out of business which would leave the holders of the patent free to charge what price they liked for the lamps.

Mr. I. F. Hellmuth, K.C., for the Canadian General Electric, claims that the Combines and Fair Prices Act is only to protect the public, not a rival producer. The public, he said, had no grounds for complaint; the lamps were sold by his clients a little cheaper than by the Laco-Phillips Co. On these grounds he asked the Board of Commerce to throw out the application without hearing evidence.

The board decided to hear the evidence.

John Cornelius Low, president of the Laco-Phillips Company, admitted in his evidence that his company had been restrained in a suit brought by the General Electric of the United States from importing lamps from Holland into the United States.

The case for the Laco-Phillips Company was that it had been engaged in selling incandescent electric lamps throughout Canada and had built up a large business, its sales approximating 40 per cent of the total sales of such lamps in Canada.

Formerly these lamps were imported from Holland, but owing to conditions, including high prices, it cannot now import them. The Holland manufacturer, however, is willing to co-operate with it in the manufacture of these lamps in Canada and a number of Canadian interests are also willing to become financially interested in the venture. It is not possible to manufacture lamps

which are commercially saleable without using drawn Tungsten wire filaments and the Canadian General Electric hold Canadian letters patents covering such filaments.

The case stands adjourned.

BANK OF MONTREAL

NOTICE is hereby given that a Dividend of three per cent., upon the paid Capital Stock of this Institution, has been declared for the current quarter, payable on and after Monday, the First day of December next, to Shareholders of record of 31st October, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 24th October, 1919.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE.

Notice is hereby given that the regular dividend of 1½ per cent on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LTD., has been declared payable on Monday, December 1st, 1919, to Shareholders of record at the close of business on Saturday, November 22nd, 1919.

By Order of the Board,

R. NEILSON,
Assistant-Secretary.

Notice is hereby given that a dividend of 3 per cent on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending November 30th, 1919, being 2½ per cent from the earnings of LAKE OF THE WOODS MILLING COMPANY, LIMITED, and one-half of 1 per cent from the earnings of the SUNSET MANUFACTURING COMPANY, has been declared payable on Monday, December 1st, 1919, to Shareholders of record at the close of business on Saturday, November 22nd, 1919.

By Order of the Board,

R. NEILSON,
Assistant-Secretary.

LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.



CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP	8,954,056
RESERVE FUND	9,000,000
DEPOSITS, &c.	267,966,438
ADVANCES, &c.	81,072,134

THIS BANK HAS OVER 1,300 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3.

The Agency of Foreign and Colonial Banks is undertaken.

Affiliated Banks:

THE NATIONAL BANK OF SCOTLAND, LTD. LONDON AND RIVER PLATE BANK, LTD.

French Auxiliary:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

THE MERCHANTS BANK

Head Office: Montreal, **OF CANADA** Established 1864.
Paid-up Capital .. \$7,000,000 Total Deposits (July 1919) \$150,000,000
Reserve Funds .. \$7,574,043 Total Assets (July 1919) \$181,000,000

President: Sir H. Montagu Allan, C.V.O.

Vice-President: K. W. Blackwell.

General Manager: D. C. Macarow.

Supt. of Branches and Chief Inspector: T. E. Merrett.

HOW WE CAN SERVE CORPORATIONS AND BUSINESS HOUSES.

Besides guarding their money, while in our care we can help them.

With information on financial questions.

By buying their Drafts and other negotiable paper.

By issuing Bank Money Orders, Travellers' Cheques and Letters of Credit.

By making collections in every section of Canada and abroad.

In short by giving them a Banking Service that is modern and complete in every detail.



364 BRANCHES AND AGENCIES IN CANADA EXTENDING FROM THE ATLANTIC TO THE PACIFIC.

Lake of the Woods Stock Issue

The Lake of the Woods Milling Company announces an issue of \$700,000 of common stock at par, bringing the total common stock up to \$2,800,000. Details of terms of payment are not yet available. At the recent price of 226 or thereabouts the rights are worth about \$31.50 per old share.

No indication was given as to the purpose to which the proceeds of the new issue will be devoted, but interesting developments in this respect will, probably, be forthcoming in a short time. That the company is in little need of additional working capital to provide for its ordinary requirements is indicated in the fact that at the end of its last fiscal year on August 31 last it

had a surplus of current assets over current liabilities of \$2,152,188, compared with \$1,696,707 at the end of the previous year.

CHINESE BANK AT COAST.

A Chinese bank is being formed in the United States which is to open a branch at Vancouver and probably at Montreal also. It will be called the American Industrial Bank of China; one-half of the capital is to be subscribed by Americans and the other half by Chinese. Hsu Un Yuen, formerly president of the Bank of China, is organizing the new institution, and has just left for China after an extensive visit here.

ESTABLISHED 1832

Paid-Up Capital
\$9,700,000



Reserve Fund
and Undivided Profits over
\$18,000,000

TOTAL ASSETS OVER \$220,000,000

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 business of every description.

THE BANK OF NOVA SCOTIA



The Will to Save

Saving is a prosperity promoting habit and is easily acquired.

Every person can save if they WILL—all that is necessary is to make a start. Small accounts deposited regularly grow into a substantial reserve fund with astonishing rapidity.

Start today. Open a savings account with this Bank. Interest paid at current rates.

THE STANDARD BANK OF CANADA

Head Office :: TORONTO

MONTREAL BRANCH

E. C. GREEN, Manager,

136 St. James Street.

THE MOLSONS BANK

Incorporated 1855.

Capital and Reserve . . . \$9,000,000.00
Over 100 Branches.

The tremendous credit business which is done these days could not be accomplished without the assistance of the banks. If you require a line of credit and have good grounds to base it on, the Molsons Bank will be glad to advise and assist you as far as it can. Have a talk with the manager.

Head Office . . . Montreal.

EDWARD C. PRATT,
General Manager.

Saving Moulds Character

A prominent employer recently said: "The best men working in our shops to-day are the men who save money regularly. The steadiness of purpose and ambition thus displayed is apparent in their work. They are the men to whom advancement and promotions most frequently come and they will be the last to be laid off when dull times come." Open a Savings Account with

The Dominion Bank



Letters of Credit and Drafts issued to over 1,500 principal points in the United Kingdom and the world-wide British Empire, and countries of Europe and Asia not under the war ban. The service is most complete and of unexcelled efficiency.

The Home Bank of Canada

Branches and Connections Throughout Canada

Transportation Bldg. 120 St. James Street
2111 Ontario St. East Cor. Davidson Street
1318 Wellington Street, Verdun

BIG, BUT SHORT LIVED.

In addition to nineteen armed men as guards, a messenger charged with the transfer of \$1,000,000 in bonds from an office in the lower New York financial district to a nearby safe deposit vault, was protected by a million dollar holdup policy issued by one of the burglary insurance companies. The policy was in force but half an hour.

Canada's Mining Industry

Debasement of Silver Coins Due

Only Means of Preventing Melting and Shipment in Countries Where Rate of Exchange Now Makes That Step Profitable

By RENE LEON.

Continued rise in the price of silver has brought the nations of Europe to a point where it is possible that the debasing of silver coinage will be seriously considered as the only means to prevent the continued hoarding of coin, and the clandestine melting down and sale of the product. Rene Leon, head of the Bullion Department of the Guaranty Trust Company of New York, points out the reasons for the dilemma which the bullion situation has brought about in all countries whose exchange on New York is badly out of balance, and how debasing the silver coinage would solve it.

The present silver situation arises largely out of the fact that Allied nations have purchased, during the war, abnormal supplies of raw materials in the Far East. The Hindus and the Chinese, unlike Occidentals, look upon precious metals as value itself and not as a medium wherewith to measure values. Furthermore they do not possess the economic machinery necessary for the settlement of balances by means of bank credits or bond issues. Balances in favor of the Orient were therefore payable in precious metals and, as the European countries jealously guarded the gold reserves which form the bases of their currency system, their only alternative was to ship silver—which they did on an unprecedented scale. All the visible stocks of silver disappeared into the Far East but balances were thereby little reduced. It will be remembered that under the sanction of the Pitman Bill, the United States Government put an embargo on silver and then sold to the British Government 200,000,000 ounces of fine silver. This was in order to help the British Government meet the increasing demand for silver from India.

With the removal by the Governments of Great Britain and the United States of restrictions on

gold exports, yellow metal in large amounts have been flowing to the Orient in addition to the greater part of the silver which is being produced throughout the world. In spite of this the price of silver is still advancing. It has gone from around 47c per ounce in 1915 to about \$1.25 per ounce today, and while shipments of gold have somewhat retarded the advance they certainly have not stopped it. If silver should rise to \$1.29 per ounce here, the silver in a silver dollar would be worth its face value. If it should go higher we should obviously have, in each silver dollar, more than a dollar's worth of silver.

This situation, which we see only as a future possibility, is already an actuality in Italy and France and is developing in England. Holders of silver coin see in the situation an opportunity to profit. Their calculation is a simple one. With silver selling at \$1.25 per ounce in New York, and French exchange at nine francs to the dollar, the amount of silver in a five-franc piece, melted down and sold as bullion, can be used to buy franc exchange in New York to the amount of 8.13 francs. Lire exchange is lower than franc exchange, and the profit for an Italian in such an operation would be even larger.

This is the situation as it exists today. Silver coinage was actually being melted down in France and exported until the Government put a stern stop to it. The Government, however, cannot prevent hoarding; and this practice is obviously current in France.

Facing such a situation, Governments have three possible alternatives. The first is buying more silver. This is difficult in view of the scarcity of stocks. Moreover, additional silver coinage would only give increased opportunities for hoarding and melting, which are the very practices that it is desired to stop. Another suggested alternative is the withdrawal of silver coinage, and the issuance of paper currency, but this is objected to as promoting inflation. A decrease of the metal reserve, and a further issue of fiat money could serve only to send prices soaring, and increasingly undermine the economic structure which it is the desire of all nations to buttress against further weakening. There remains only one possibility, and that is to reduce the amount of silver in the fractional coins, or, in other words, debase them. This is the solution which is now almost certainly being considered in France. Indeed, we have just had a cable on this very subject from Mr. Breton, Vice-President of this Company, who is now in Paris, in which he says "Silver purchases will not solve problem and will lead to more unlawful transactions. The problem will not probably be debated among leading countries and debasing will probably be discussed."

SILVER WENT "OVER PAR."

Bearing our predictions frequently reiterated in well informed quarters, the price of silver last week soared to a point where the silver dollar was worth more on the basis of its bullion value than as a coin. The quotations ruling in the New York market on a fair volume of business ranged from \$1.29 to \$1.30½ a fine ounce, the highest

level attained in some fifty years. As the silver in a silver dollar is worth \$1 when the metal touches \$1.29 a fine ounce, it will be seen that at the higher figure a slight margin of profit is available by melting down the dollars and disposing of the bullion content. The cost of melting was estimated by a competent authority as not more than half a cent per fine ounce realized.

FUEL SITUATION IN CANADA.

The fuel situation in Canada is one which must be faced in an effort to overcome the annual threatened shortage and the constantly rising price of coal.

Canada possesses immense coal reserves. Unfortunately, much of it is unsuitable for locomotive purposes, owing to its tendency to spark, also owing to its high moisture content, it rapidly disintegrates on exposure to the atmosphere. Again, at the mines, both below and above ground, in mining the coal and in handling it, a vast amount of slack is created, which, up to the present, has been considered as waste.

A process for utilizing this slack coal, as well as run-of-mine coal, has for some time been under development. By this method the coal is pulverized until approximately 85 per cent will pass through a 200-mesh screen and 95 per cent through a 100-mesh screen. After the coal has been pulverized, it is fed from the bins by screw conveyors and blown into the furnace.

Good results have been secured by cement plants, by the metallurgical industries, and on locomotives. In the heating of large buildings the use of pulverized coal has proved an economical fuel.

The Commission of Conservation, Ottawa, has issued a report on "Pulverized Fuel; its Use and Possibilities," by W. J. Dick, M.Sc., which explains in detail the use of pulverized coal and its advantages.

WINTER IN ALGONQUIN PARK.

As a winter panacea for coughs and colds Algonquin Park cannot be equalled. Two thousand feet above the sea it is always dry and cold. Days spent in snow-shoe tramps, tobogganing or skiing and in skating, together with evenings spent in social converse around the cosy warmth of an old fashioned log fire; these slip away unnoticed but those who have once experienced them return to their vocations with renewed energies. The "Highland Inn" owned and operated by the Grand Trunk Railway offers comfortable accommodation at reasonable rates. For all particulars apply to N. T. Clarke, Manager, Algonquin Park Station, Ontario.

NIPISSING EXTENSION MINES, LIMITED

Descriptive Circular
Sent Upon Request

NORTHERN SECURITIES, LIMITED

Imperial Bank Chambers
134 King St. East
TORONTO

CRUDE LUMP
CALCINED GRAIN
DEAD BURNED POWDERED

MAGNESITE

The Scottish Canadian Magnesite Co., Ltd.
MONTREAL, QUE.

We Guarantee Satisfactory Results

The Purchase of PORCUPINE KEORA

Is fully justified by the most favorable results obtained in development of the Keora property, and in the expectation that this mine will in the next few months become one of the producing mines of Porcupine.

Machinery is now on the way to the property, and the work necessary to bring the mine to a producing basis should be well under way within the next thirty days.

This issue is recommended as something more than a speculation and one which shows every indication of becoming a very profitable mining investment. A substantial advance in the market price of the shares is looked for. The stock is listed and traded in on the Mining Exchange.

Write us for detailed information and maps.

KIELY & SMITH

Members of the Standard Stock and Mining Exchange.

C.P.R. Building, Toronto

Main 5348

RSC
INVESTMENT-SERVICE

**If You Pay
Income Taxes—**

Then you ought to read our booklet "The Income Tax and The Average Man."

The chances are you are paying taxes on more income than you need to—if you are paying interest on certain kinds of debts or mortgages, for instance.

Call in and get the booklet, or send for a copy to-day. You don't have to read it all, because an index tells you just where to find the page that deals with your income.

**Royal Securities
CORPORATION
LIMITED**

Toronto Montreal St. John
Halifax London, Eng.

The Pulp and Paper Industry

Paper Maker Has Upper Hand

American Newspaper Publishers' Association is Now Calling for "Fair Broadminded Policy" Instead of Using Club

A world-wide shortage of newsprint was admitted by the American Newspaper Publishers' Association at a meeting in New York last week, and a number of recommendations some of them practical, others less so, were made for dealing with it.

President Franklin P. Glass made some remarks which have aroused considerable feeling among Canadian paper-makers. Mr. A. C. Dawe, secretary of the Canadian Pulp and Paper Association, in an open letter in reply to Mr. Glass, says:

"The remarks attributed to Mr. Franklin P. Glass, president of the American Newspaper Publishers' Association anent the anxiety of the American newspaper publishers to get together with the newsprint manufacturers in an effort to counteract the shortage in newsprint paper now prevalent in the States and to see if some fair, broadminded policy of doing business cannot be devised, make refreshing reading for the newsprint manufacturers of Canada and, doubtless, for those of the United States as well.

"Mr Glass was the gentleman who was at the head of the Paper Committee of the A.N.P.A., which did its utmost for a period of almost three years to embarrass the paper manufacturers and make it as difficult as possible for them to do business.

"It was Mr. Glass' committee which invoked the powers of the Attorney-General of the United States to indict the paper manufacturers for an alleged violation of the Sherman anti-trust law.

"It was Mr. Glass' committee which haled the manufacturers before the Federal Trade Commis-

sion and put the to enormous trouble and expense to prove their right to a fair price for their product.

"It was the committee of which Mr. Glass was formerly the head and is still the chief instigator that attempted unsuccessfully, as late as October 6 of the present year, to get a United States court, sitting in New York, to declare that the Canadian paper manufacturers were not entitled to the prices for their product which had been fixed for it by the Federal Trade Commission.

"The committee's efforts have had the result which any thoughtful student of economics could have predicted.

"So unbiased authority as the Chicago Tribune said in an editorial printed November 8; 'The present (newsprint) situation is the result of shortsighted attempts in the past to restrict the price of paper, which has kept capital out of manufacture, so that the industry is not now able to meet the publishers' needs.'

"Even today, these same influences in the States are not through with their work. They have recently persuaded the United States Senate to order another 'investigation' of the newsprint manufacturers and a committee, headed by the redoubtable Senator Lafollette, of Wisconsin, has been appointed to carry it out.

"Consequently, as said at the outset, Mr. Glass' appeal for the inauguration of 'a fair, broadminded policy' comes with refreshing novelty to the paper manufacturers who all watch with extreme interest the efforts of Mr. Glass and his colleagues to give it effect."

PAPER PRICE IS STILL RISING.

Announcement from New York that International Paper Co is asking \$90 for 1920 newsprint has caused Canadians to revise their views of what Canadian mills can get for their product in the States. A week ago it was thought the price from Canadian manufacturers for the first quarter of 1920 would be 4¼ cents per pound, or approximately \$85 a ton. Now that the International has set a price of \$90 a ton for the first quarter, Canadian companies will likely meet this quotation.

It is estimated that Canadian newsprint companies are shipping well over 600,000 tons of newsprint to the United States each year. At an advance of only \$12 over the 1919 price, this would mean an increase in the earnings of Canadian newsprint companies of approximately \$7,250,000.

OUR BACON STANDS WELL.

An article in the Export Pioneer which should attract attention both in Great Britain and in Canada, is that dealing with Canadian bacon in Britain. Attention has been directed to this subject by recent allegations as to the spoiling of large shipments of imported bacon at British docks, owing to delay and congestion. This experience, it is satisfactory to learn, bids fair to have nothing but a beneficial result for Canadian bacon. While there seems no doubt that a considerable quantity of bacon was spoiled, the Ministry of Food have stated that no definite case of

Canadian bacon having gone bad has been reported to them, and that in any case it withstood the trying conditions much better than the United States product.

This important testimonial to the quality of Canadian bacon comes at a psychological moment, for an exemplified opportunity is stated to exist in Europe for the building up of a large and permanent export trade from Canada in this product. The views of large British bacon importers which are quoted by the Pioneer are re-assuring in both respects, and should be carefully considered by Canadian curers and exporters.

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ALBERTA HAIL LOSSES.

Losses from hail in Alberta during the past season are reported to have totalled around \$1,000,000, shared almost equally between the municipal hail insurance scheme and the straight line companies. At a recent meeting of the municipal hail insurance board, held in Calgary, it was reported that the total insurance carried was about \$1,200,000, with losses of a little over \$500,000. The premium rate was fixed at 6 per cent, which will figure out at forty-eight cents per acre for \$8 insurance and thirty-six cents per acre for \$6 insurance. Over 90 per cent of the insurance carried was at the \$8 rate.

INSURANCE MERGER.

The Canada Security Assurance Co. of Calgary has been acquired by the Norwich Union Fire Insurance Co. The Canada Security is to continue as a separate company and its activities will be enlarged so as to cover the whole Dominion and it will include in its business the writing of hail, fire and automobile insurance. The officers of the Canada Security include: President, John B. Laidlaw; vice-president, Sir James Lougheed; secretary, T. B. Redding; directors, E. M. Whitley, C. Stewart Malcolm and Eugene Coste. Under the new arrangement, T. B. Redding will be manager for both companies at Calgary; E. M. Whitley, now of Calgary, will be branch manager for both companies at Winnipeg, and C. Stuart Malcolm, now of Winnipeg, will go to Toronto as assistant manager of the Norwich Union. It is understood that the directorate will be increased shortly and Sir J. W. Woods, H. F. Gooderham and a Calgary business man are mentioned as likely to join the board. As a result of these changes the Canada Security has increased its financial standing materially.

BIRDSEYE ON TRIAL AT LAST.

After years of delay the trial of Clarence F. Birdseye, his son, Kellogg Birdseye, and George Montgomery, prominent New Yorkers, began last week in a Pittsburg Criminal Court before Judge Reid, on a charge of conspiracy in connection with the looting of the treasury of the Pittsburg Life and Trust Company, making it insolvent and causing a loss to the policyholders of the company amounting to several million dollars.

The Birdseyes took their case to the United States Supreme Court in the hope of fighting extradition, but they lost out in their fights. Joseph C. Watson, Robert R. Moore and William Macquestion, also of New York, are also under indictment in connection with the looting of the insurance company, but they were never extradited. It was expected that Watson would come here and be a witness for the commonwealth, volunteering to come here and turn state's evidence, but he was not on hand. Immunity has been promised him, as he did not profit financially in the transaction.

In his opening argument to the jury, Assistant District Attorney Gibson told, of how the control of the company was secured by Birdseye, and after he was given control of the company by the old directors of the company who resigned, elected his own directors and transferred the funds of the company to New York. Bonds and stocks worth nearly \$2,000,000 were turned over to him and valuable real estate worth millions of dollars, in two large office buildings, were exchanged for bonds on the Dare Lumber Company, a concern purchased by Birdseye.

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Capital Paid Up	4,425,000
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Total Annual Income Exceeds ..	64,000,000
Total Funds Exceed	172,000,000
Total Fire Losses Paid	215,897,380
Deposit with Dominion Government (as at 31st Dec., 1918) ..	1,401,333

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Assets	18,100,000
Net Surplus	2,750,000
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These are reasons why the Company is known as "Solid as the Continent." Correspond with E. J. Harvey, Supervisor of Agencies.

**NORTH AMERICAN LIFE
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The World's New Trade Routes

Development of Direct - Shipment System, Avoiding the Use of Central Depots Such as the British Ports, Seems Likely to Have Permanent Effects—Canada's Position, Like That of the United States, Will Be Strengthened By Change if We Organize Properly

By GUY EMERSON, Vice-President National Bank of Commerce in New York.

(Concluded from Last Issue.)

Great Britain is now having difficulty in bunkering ships. Her coal output has been so cut down as a result of industrial conditions prevailing at home that an adequate supply of coal has not been available, and the price is so high that she is not in an advantageous competitive position. American ships and other ships entering her ports are finding it necessary in many cases to carry coal for the return trip, a most disadvantageous arrangement from the standpoint of cargo space.

In addition to the advantages to be gained by bunkering ships. Great Britain has been the foremost coal exporter, using her coal as a going cargo to make profitable the journeys of her steamers to many ports. British exports have suffered equally with bunkering facilities. Exports of coal from Great Britain by countries are shown elsewhere in this issue. Suffice it to say here that from 94,431,668 gross tons in 1913, British exports declined to 40,509,380 tons in 1918, and it has been repeatedly stated officially in Great Britain that exports for the current year cannot exceed 20,000,000 tons. The effects of this situation on the position of British ocean-carrying business cannot be estimated as yet.

In addition to fuel costs, toll charges are to be considered. The importance of this item is evident from the fact that the toll charges for the passage of a steamer of 10,000 net register tons through the Panama Canal are about \$12,000, and the toll rate for the Suez is practically the same. On the longer ocean routes, and also when ships are employed in traffic into the less heavily populated areas of the world, the possibilities of picking up way-freight and passengers are to be reckoned with in the decision as to the line over which a steamship may travel. For instance, ships going to Australia via the Cape of Good Hope combine certain freight and passenger possibilities with coaling ports, and this route has, therefore, maintained itself with great success against the Suez route into the same territory, although it is one thousand miles longer. Thus a vessel leaving London or Liverpool coals at the Canary Islands and may discharge cargo and passengers and take on additional cargo and passengers at Cape Town, South Africa. It may then proceed to Durban in Natal, where it can coal advantageously and where it may again discharge cargo and passengers and take them on. From this point it may go to Australia, India or many other points, depending on the nature of its cargo, and come home via the Suez Canal.

The factors indicated above determine the main lines of ocean travel. While these are so variable in some cases as hardly to constitute a definite "route," the fact is that vessels adhere so closely to certain customary areas of the ocean that a vessel suffering a calamity which has driven her off her route has greatly lessened chances of assistance. The heaviest line of commerce in the world is from the northeastern seaports of the United States to the entrance of the English Channel. This line might be likened to the network of railroads which connect Chicago and New York, for it is as vital to the maintenance of the highly organized commercial and industrial life of Europe and North America as are the intimate railroad connections between Chicago and

our chief port. While a huge share of the traffic carried on over this main route terminates at the great British ports, a large part passes through the channel ports and to those of the North Sea and the Baltic.

No other ocean route is as important or well defined as the North Atlantic route, most other lines of travel offering a wide choice of routes and of termini. Many of them involve at least partial use of triangular routings. Moreover, conditions of competition over the ocean trunk lines next in importance to the North Atlantic route are being greatly affected by the Panama Canal.

The first of these routes is that to India, China and adjacent territories of the Middle East. Before the opening of the Panama Canal, traffic to that area from Europe and eastern North America was a unit, going via the Suez Canal. Now, however, a large competitive area as between the Panama and Suez routes has developed, and while the bulk of eastern North American tonnage will go via Panama, and the larger share of European traffic via Suez, a considerable readjustment, depending on many conditions, will probably take place in the next few years.

The same is true of the second of these routes, that from eastern North America and western Europe to Australia and New Zealand, with the added complicating factor of the route via the Cape of Good Hope. While the Suez route is the shortest distance from Liverpool to most Australian ports, there is practically no difference in the distance from Liverpool to Sydney, its principal port, while the Panama route is one thousand five hundred miles shorter to Wellington. The Panama route, on the other hand, is shorter from all Atlantic and Gulf ports of the United States than the Cape of Good Hope route, Sydney being brought four thousand miles nearer by the new route.

Other heavy fields of ocean traffic, hardly definite enough to be called routes, are the Caribbean Sea traffic, now entering into a new phase as a result of the Canal, traffic between the Pacific ports of the United States with Asia and Australia, lines from Great Britain and the European ports to South America and the beginning of a direct traffic between South America and Africa. In addition, a large tonnage is occupied on various so-called triangular routes, of which the routing of vessels from Europe to Brazil or Argentina, thence to the United States or Canada and returning to Europe from a North American port is an example.

The question now is to what extent the changes in shipping routes which took place during the war just closed and in the relative position of the leading nations as shipbuilders and operators will be permanent, and to what extent they are temporary in character.

Consideration of the main ocean highways makes it obvious that the war could have no immediate effect on what may be called the trunk lines of ocean travel, though, as will be seen later, it may in the long run affect them. Aside from those changes in the organization of ocean transportation which may result from the shift in the ownership of tonnage and in the fuel situation, the war caused many minor changes in conditions surrounding commerce in what might be called the branch lines of water-borne

commerce, which seem likely to be permanent. While it is true that the most exacting competition exists in the ocean-carrying business, it is also true that the world's commerce is dominated to a large degree by habit and custom, which over large areas have been completely shattered. Thus the huge entrepot trade of Antwerp, Amsterdam and Rotterdam was destroyed. So was the normal entrepot business of the British ports, although much military traffic went through them. Hamburg and Bremen were all but deserted. Russia's Black Sea route was closed, as was the overland route through Germany, and her necessary commerce with her allies was carried on via Archangel and the Siberian ports.

Marked changes also took place in the routes over which specific kinds of merchandise were borne and, as a result, there developed a tendency to utilize new distribution points. No country was more deeply affected in this respect than the United States. Formerly a large share of our imports from Asia and the Malay Archipelago, such as rubber, tin and Sumatra tobacco reached us via European ports, chiefly British and Dutch. Thus London was the world's rubber and tin market, while Sumatra tobacco was distributed from Amsterdam and Rotterdam. Because of the need of conserving tonnage, however, many of these commodities came to us directly during the war, either via the Panama Canal or overland by rail from our Pacific ports in order to conserve tonnage. While for European use commodities of these types will probably be distributed through their pre-war channels, it seems likely that the share consumed in the United States will largely reach us by direct routes.

Changes in territorial sovereignty are also likely to produce lasting effects. The commerce of what is now Poland and the territory of Alsace-Lorraine was handled through German channels. Antwerp, Rotterdam and Amsterdam had profited by Germany's vigor, her own ports of Hamburg and Bremen not being sufficient for her and not so advantageously located for the handling of the imports to and exports from large parts of her territory. It is not possible to determine how far trade will reestablish itself on old lines, but it seems likely that Poland will use the internationalized port of Dantzig and that the business resulting from the economic activity of Alsace and Lorraine will be at least in part diverted into French channels. Changes which have taken place in the Balkan states are very likely to result in some increase in the direct sea-borne commerce with the Allied countries of western Europe and America and in the curtailment, to a degree, of overland traffic with Germany and Austria.

It also seems probable, since business has become accustomed to dealing with Russia and with those countries which may develop out of what was Russia that the Scandinavian cities, by port improvements, by free port projects and by every other effort to improve their facilities, may be able to win for themselves the business which they feel should be theirs.

The development of commerce originating on the Black Sea will be watched with great interest, as the country tributary to that basin is rich in potential resources. Political rearrangement in areas bordering on the Adriatic may also affect, to a degree, the flow of business, both as to passengers and freight, in areas formerly under the suzerainty of Austria.

The alterations in the routing of ocean commerce so far suggested are of the present or the immediate future. The political realignments resulting from the war may have even more pronounced results. Where once Siberia was a mere name, it is now no longer thought of as an area which is wrapped in snow and ice but a country of vast forests and rich plains with untold mineral wealth, into which settlers are moving despite political upheavals—a country with a future

(Continued on Page 27.)

Review of the Newest Books

By H. S. ROSS.

THE FINANCIAL HISTORY OF GREAT BRITAIN, 1914-1918, by Frank L. McVey, President, University of Kentucky. Oxford University Press (American Branch), 35 West 32nd St., New York.

This is No. 7 of the series of "Preliminary Economic Studies of the War," edited by David Kinley, Professor of Political Economy, University of Illinois.

The following quotation from the Editor's Preface will give a good idea of the scope of this interesting study of the Financial History of Great Britain from 1914 to 1918:

"President McVey's study is one of the series of preliminary war studies planned by the Carnegie Endowment for International Peace to assist in showing our own people some of the early experience, policies, and effects of the war. It sets forth the financial experience of Great Britain from the beginning of the war to the spring of 1918. The attention of the student of British efforts and experience will be arrested at once by several important points in the story. He will be struck first with the immensity of the burden which the British people have voluntarily assumed in defense of their empire, their ideals and their international obligations. If before the war anyone had prophesied that even so wealthy a people as the British could or would submit to war expenditures on so stupendous a scale, he would have been laughed at. A second point that will impress itself is that in spite of the arguments of Block and writers of his school, the mounting expense of modern war is not, after all, a very strong or primary deterrent of conflict. The third point which will arrest attention is the financial strength and resourcefulness of the British Empire. Her far-flung battle line is paralleled by her far-flung commercial and financial line of influence and power. As her children have gathered from all quarters of the world to her defense in battle, so her financial resources have come from equally diverse and distant quarters to support them. Without her foreign investments to draw on Britain would undoubtedly have been seriously crippled before this. Still again, one will be struck with the fact that this burden of taxation has

been borne cheerfully, in accordance with the determination of the people and their government to pursue their purpose in the war to a conclusion.

"Of course, much of the British financial strength has come from the United States. This was true even before we were active participants in the war. It is more so now because of the direct loans which our government has made to the British.

"The British war financial policy on the whole has been sound, from the point of view of financial science. They have pushed taxation to the limit and have relied on loans for the balance. Fortunately, we are likely to follow the same policy instead of making the mistake which we have made in our previous wars, and which Germany appears to have made in this war, of trying to finance the war primarily from the proceeds of long-time loans. The latter policy stimulates speculation, breeds inequalities of wealth by enabling some to become rich at the expense of the country through taking advantage of its war necessities, and, finally, throws an under burden upon the future.

"President McVey's study is a clear and interesting exhibit of the financial strength of our great ally and reveals in part the great sacrifices she has made in the war. It throws light, too, on the vastness of the burden we ourselves shall have to carry.

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"First time I've been here."

"You chose a good time to come. Mark Twain is going to lecture here to-night. You'll go, I suppose?"

"Oh, I guess so."

"Bought your ticket?"

"Not yet."

"You'll have to stand then, for everything's sold out."

"How very annoying!" said Mark, with mock irritation. "I never saw such luck. I always have to stand when that fellow lectures."

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World's New Trade Routes.

(Continued from Page 25.)

comparable to that of the Canadian northwest. When once the turmoil has subsided and the Trans-Siberian Railroad is again in a condition to do the business the area requires, great commercial development is sure, and large ocean traffic between Siberian ports and the ports of western North America will result. Similarly, a new economic life will surely follow the work of the British in Mesopotamia and Persia, and new lines of commerce will grow up. Canal and tunnel developments of the great importance are also matters of the near future. The Canadians are pushing work on the Welland Canal, completion of the improvements there having been delayed until the end of the war. The time is not far off when the Great Lakes ports of the United States and Canada will be in a considerable sense sea-ports.

The tunnel under the English Channel now seems almost a certainty. The exact effects of this new traffic-way cannot be foreseen, but it would seem that to a very real extent the great British ports will become continental ports. Tunnels under Gibraltar and at the Bosphorus are not impossible within the lifetime of persons now in their maturity, and these engineering works, brought into the realm of probability by the war, suggest great changes in ocean routes. The war has thus made possible an effective railway competition which, while long in the field of possibility, did not seem near enough to merit practical consideration. Railways under British control, which will connect all the area from India to Constantinople, are in contemplation. While much construction is necessary, many parts of these proposed lines already exist, such as the part of the Berlin to Bagdad line built before the war, British construction for military purposes during its progress and the present splendid British system of the Punjab, together with the Russo-Trans-Caspian lines. Thus not many years may actually see the old overland route from India, abandoned for centuries, transformed from caravan trail to railroad, an active competitor of the ocean route via Suez.

Developments in Africa will be no less striking than in Asia. The Cape to Cairo line will soon be an actuality, and the French are discussing an elaborate extension of their North African line across the Sahara into the French Sudan and thence connecting with the Belgian Congo. Such a system would certainly offer competition with those steamship lines which do a trading business on the west coast of Africa, and the combined effect of this route and the Cape to

Cairo line upon the steamship route which now goes to Australasia via the Cape of Good Hope is entirely problematical.

The war has also greatly quickened the industrial development of many countries in which much progress had already been made before it began, and this is certain to work changes in the routes of trade. Thus Brazilian manufactured goods have appeared in the South African market, and direct steamship connections between the east coast of South America and South Africa have been made, while the industrial strides made by Japan are resulting in the establishment, in increasing numbers, of direct lines from Japanese ports to Australasia and to the west coast of South America.

Getting into South African Trade.

(Continued from Page 15.)

tion of British trade with South Africa, are mainly responsible for the increase in trade with the United States of America and Japan during the war. Japanese imports into this country received a large measure of support as a consequence of the inclusion of the Cape Ports in the itinerary of the ports of call for Japanese steamers. So far as America and Canada are concerned, neither of these countries has received encouragement from special banking, steamship, or distributing facili-

ties. As a matter of fact, freights from the United Kingdom have been cheaper than from either of the countries named. In the case of America, the demand for cash for goods on delivery at the wharf, without guarantee of freight, compelled importers of American goods to lay out capital without any guarantee of receiving the goods, and this arrangement constituted a restraint on American trade.

Future Demand for Imported Goods.

Generally speaking, the future demand for imported goods is not likely to be reduced, owing to increase of price, except in the case of articles which are manufactured locally. The spending power of the country has increased very considerably during the war consequent upon the high prices which have been obtained for South African products. Provided the price of wool, meat, grain and other products is maintained on a high level, the purchasing power of the country will be greater than during the pre-war period. The opinion is held that every effort will be made to obtain, regardless of cost, raw materials and finished products and in the process of local manufacture.

The demand for iron and steel manufactures will not be affected by the increase in price as the requirements for development and renovation purposes are enormous. Machinery of every description is urgently needed



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Notes in Circulation	34,412,062.74
Deposits	383,318,713.02
Due to other Banks	8,367,900.08
Bills Payable (Acceptances by London Branch)	504,744.27
Acceptances under Letters of Credit	11,607,490.78
	<u>\$471,288,493.09</u>

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Cash on Hand and in Banks	\$ 80,960,107.57
Deposit in the Central Gold Reserves	20,500,000.00
Government and Municipal Securities	63,094,503.71
Railway and other Bonds, Debentures and Stocks	16,904,957.44
Call Loans in Canada	14,574,059.37
Call Loans elsewhere than in Canada	32,277,161.49
	<u>228,310,789.58</u>
Loans and Discounts	222,124,811.61
Liabilities of Customers under Letters of Credit as per contra	11,607,490.78
Bank Premises	7,026,080.00
Real Estate other than Bank Premises	1,390,534.61
Mortgages on Real Estate sold by the Bank	78,786.50
Deposit with Dominion Government for Se- curity of Note Circulation	750,000.00
	<u>\$471,288,493.08</u>

*595 Branches in Canada, Newfoundland, West
Indies, Central and South America, etc.,
distributed as follows:*

Canada	520
Newfoundland	8
West Indies	54
Central and South America	9
Spain (Barcelona)	1
U. S. A. (New York)	1
Great Britain (London)	1
French Auxilliary (Paris)	1
	<u>595</u>

SPAIN, BARCELONA - - Plaza de Cataluna 6
LONDON, ENGLAND, Bank Bldgs., Princes St., E.C.
NEW YORK CITY, Cor. William and Cedar Sts.

French Auxilliary:
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COLLECTIONS

throughout Canada, Newfoundland, West
Indies, Central and South America handled
promptly and on favorable terms.

The Province of Quebec

Canada's Largest Province

Area....over 700,000 square miles, or 18 per cent of all Canada

Rich in Natural Resources, Soil, Timber, Fisheries, Mines. Waterpower estimated at 6,000,000 h.p. of which 875,000 are developed at the present time.

Rich in Fish and Game and the best of sport for hunter and sportsman.

A Land of great Waterways, of mighty Rivers and Lakes, of extensive Forests.

A Land where Farming and Dairying is profitably pursued, with an annual production value exceeding \$200,000,000.

A Province that leads all the provinces in the Pulpwood and Asbestos Industries.

A Province that offers exceptionally favorable terms to the settler.

Send for Booklets and Information to

The Department of Lands and Forests
Quebec City, Quebec.



CHATEAU FRONTENAC, QUEBEC.

Canadian Pacific Railway Hotel System

Canadian Pacific Hotels from the Atlantic Ocean to the Pacific set the standard for hotel accommodation in Canada. Each hotel is distinctive in appointment and style; each has the same superb Canadian Pacific service

THE CHATEAU FRONTENAC, Quebec, is a famous hotel in the most characteristic city of North America. Standing on Dufferin Terrace, it commands magnificent views of the River St. Lawrence.

THE ROYAL ALEXANDRA, Winnipeg, so well known and so popular with travellers that it has been enlarged to twice its original size.

THE PLACE VIGER, Montreal, is an ideal hotel for those who prefer quietness and yet wish to be within easy reach of the business centre.

THE PALLISER, Calgary, a handsome new hotel of metropolitan standard, from the roof of which the snow-capped Canadian Pacific Rockies are visible.

THE HOTEL VANCOUVER, a spacious hostelry that overlooks the Straits of Georgia and contains 650 rooms.

THE EMPRESS, Victoria, a luxurious hotel that appeals to the artistic sense, in a city of picturesque homes and Old Country atmosphere.

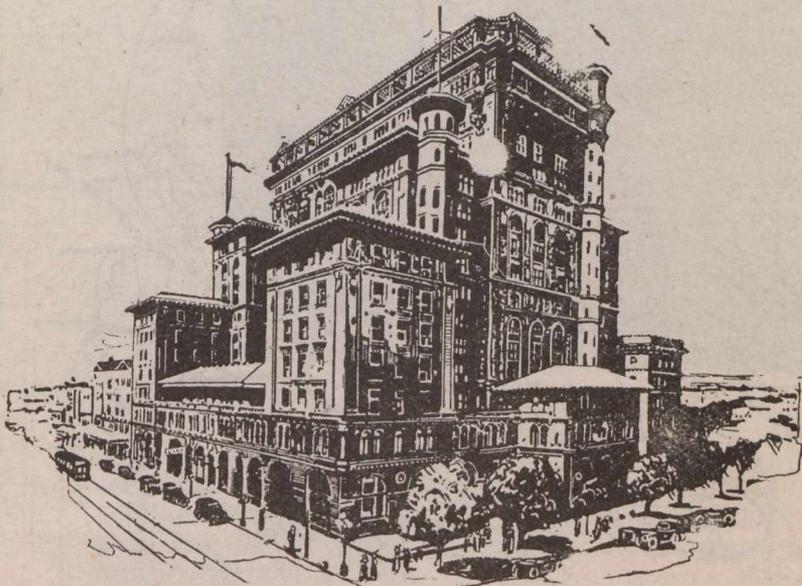
The above hotels, and others similarly situated at strategic points on the main transcontinental line of the Canadian Pacific Railway at McAdam, N.B., Sicamous, B.C., and Penticton, B.C., are open all the year round. Six other hotels, including four in the wonderful Canadian Pacific Rockies, are open in summer only.

Any C.P.R. Passenger Agent will furnish particulars, or write

C. E. E. USSHER,
Passenger Traffic Manager

F. L. HUTCHINSON,
Manager-In-Chief Hotel Dept.

CANADIAN PACIFIC RAILWAY, MONTREAL.



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See NEWFOUNDLAND

(BRITAIN'S OLDEST COLONY)

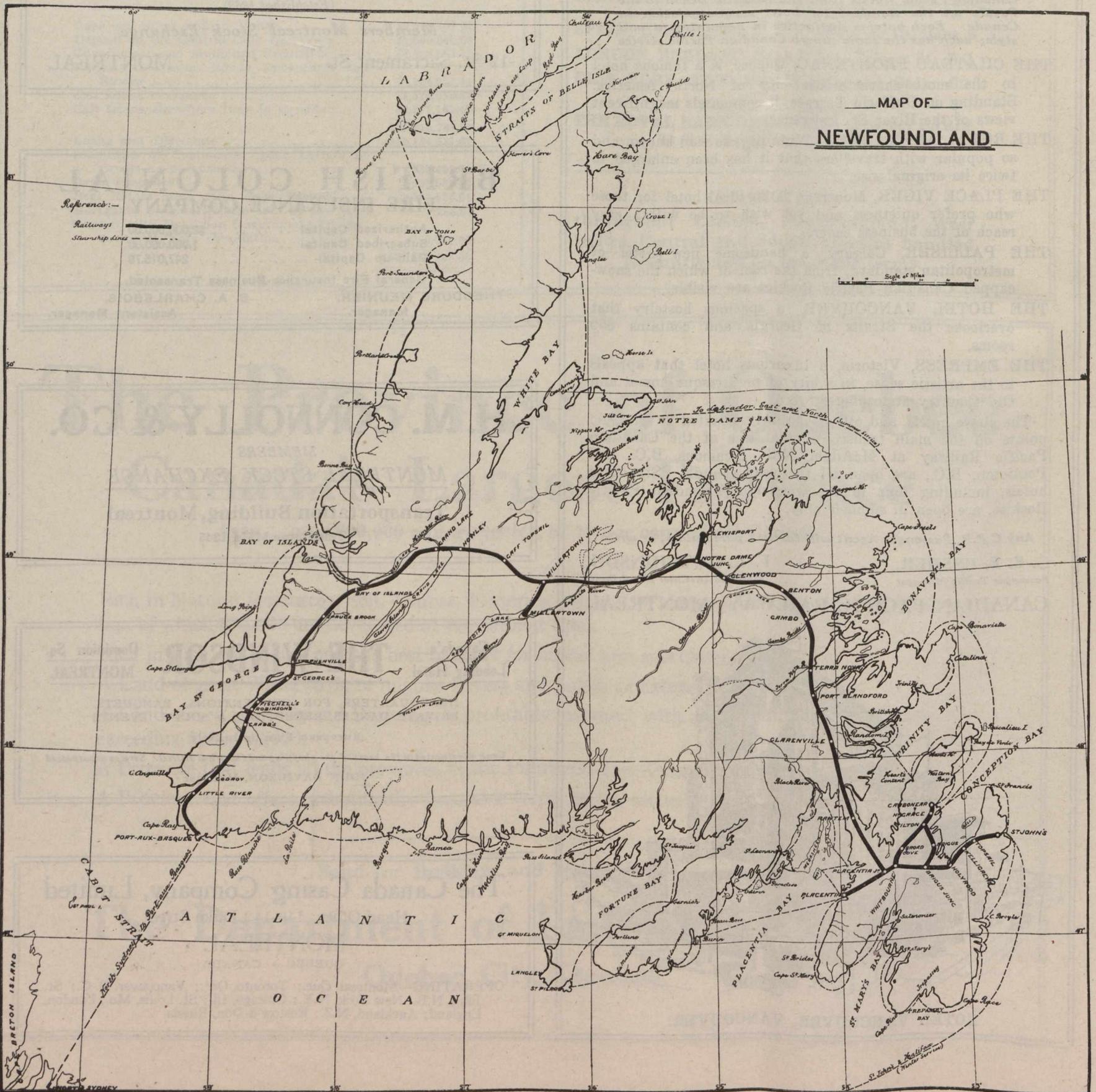
For the Winter Months, an Express Train with Dining and Sleeping Cars will leave St. John's on Sundays, Tuesdays and Thursdays only.

Connection from Canada and United States' points will be made at North Sydney, after arrival of the Canadian Government Railway Express, No. 5, on Tuesdays, Thursdays and Saturdays, the steamer arriving at Port aux Basques on Wednesday, Friday and Sunday morning, there connecting with Express Train for points between Port aux Basques and St. John's.



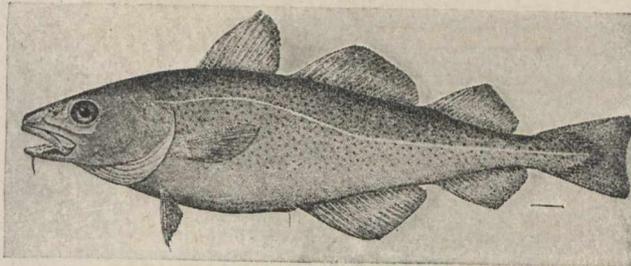
For further information, apply to

F. E. PITMAN, General Passenger Ticket Agent,
REID NEWFOUNDLAND COMPANY,
ST. JOHN'S, NEWFOUNDLAND.



Where the Codfish Come From

The climate of Newfoundland is more temperate than that of the neighboring Maritime Provinces; the thermometer rarely sinks below zero in winter, while the summer range rarely exceeds 80 deg. F.



Newfoundland Crown lands for farming purposes may be had for thirty cents an acre. The Island's agricultural development is going ahead by leaps and bounds.

WHETHER YOU WISH TO FISH FOR SPORT OR FOR PROFIT
:-: COME TO NEWFOUNDLAND :-:

HER fishing resources for either the commercial fisherman or the sportsman are the greatest in the world. They now produce well over fifteen million dollars of wealth per annum, and they are only beginning to be developed.

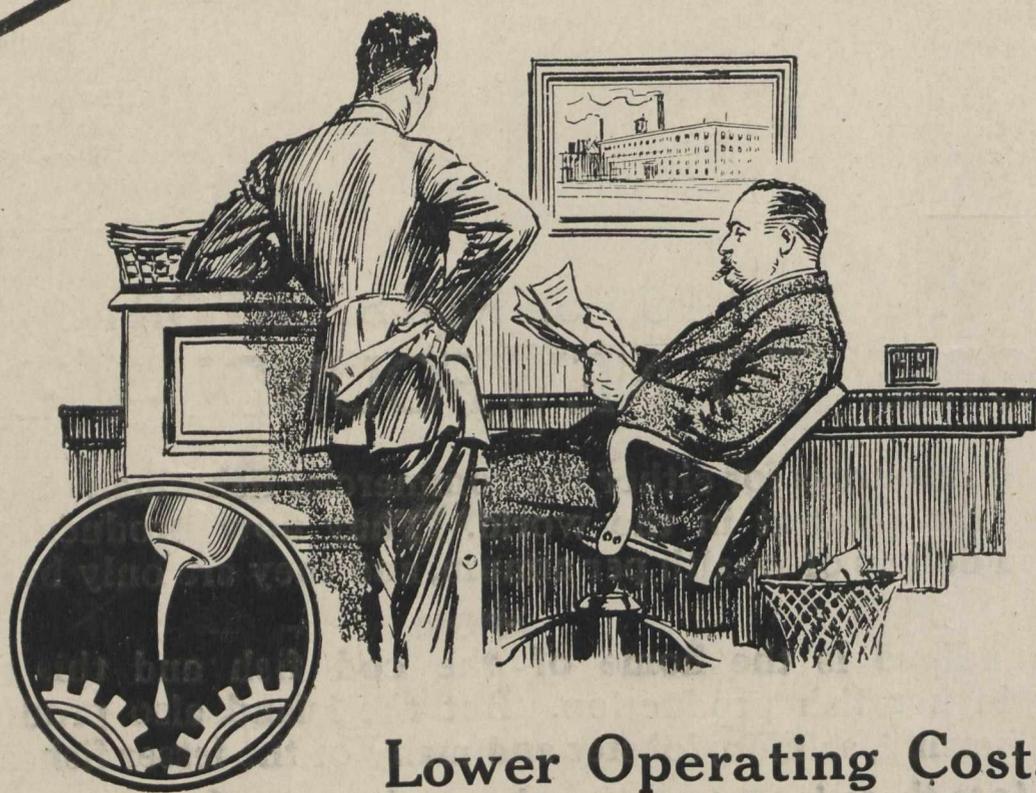
Newfoundland is the home of the cod fish and this forms the largest item in her fish production. But the island also produces large quantities of herring, salmon, lobster and many of the lesser fishes.

Heretofore these have come on the markets of the world in the dry-salted and pickled condition. But the frozen fish industry is rapidly developing. The latest reports from the British markets affirm that "the recent arrival of Newfoundland frozen fish was superior to the fresh fish often received from the Iceland grounds."



Newfoundland's forest wealth is large. The mineral resources are only partially known, although the iron mines on Bell Island have an output of 1,500,000 tons, and the industrial possibilities are attractive from every point of view.

The Government of Newfoundland gives generous aid to agricultural development. The value of agricultural products now approximates over \$4,000,000. Sheep raising is being encouraged and the progress in that direction is remarkable.



Lower Operating Costs

FACTORY owners, mill superintendents and production managers are daily becoming more and more interested in correct lubrication. They have found that correct lubrication means lower operating costs, smaller depreciation charges, fewer repair bills and increased production capacity.

Correct lubrication not only demands the use of high quality lubricants, but lubricants carefully chosen for their fitness to meet the needs of different mechanical operations and varying service conditions.

Imperial Lubricants are a complete line. Carefully formulated, tested and graded. In the list on the left is the proper lubricant for every type of machine.

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Imperial Lubrication Engineers will be glad to co-operate with your own mechanical engineers in making investigation and recommendations for the correct lubrication of your plant. Address us at 56 Church St., Toronto, or any of our branches.

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