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## The Grand Trunk and the Grand Trunk Pacific

WE print to-day a letter from Mr. A. W. Smithers, Chairman of the London Board of Directors of the Grand Trunk Railway Company of Canada, in which that gentleman states with much fairness the good service that "Canada's pioneer railway" has rendered. While the Grand Trunk Company, like other large corporations, has often come under criticism for its sins of commission or omission, no one can truthfully deny that that company has played a large and valuable part in the development of the country. Indeed, if it were necessary to apportion the benefit which has arisen from the enterprise, to Canada on the one side, and to the Grand Trunk investors on the other, it would have to be admitted that Canada has been the chief gainer, for a very large part of the money which British capitalists put into the Grand Trunk earlier

and received from the Grand Trunk has improved its position, rendering an efficient service to the country, and yielding moderate returns on some classes of its stocks. The Grand Trunk's present troubles arise, not from the operation of its original system, but from the burden which it so courageously assumed in the scheme of a transcontinental railway. When that project was under discussion in Parliament, and much partisan feeling was manifested, the project was often treated as one by which the Canadian people were to give much favor to the Grand Trunk Company. It is well that the public should be reminded of that now, when the fact is so clearly seen that the Government of that day, instead of handing the Grand Trunk Railway Company a prize, imposed on the company conditions of a particularly severe character. How far there has been default on the part of the company, and how far on the part of the Government, in the fulfilment of that contract will probably be a matter of dispute, and no good purpose would be served by here entering into that phase of the subject. But it is clear that in the contract of 1903 the Government laid heavy responsibilities on the company, which, as events have shown, were a source of loss rather than gain to the company.

Some of the critics who were ready in 1903 to treat the scheme as one of undue favor to the Grand Trunk Company, are now seeing things from another side. "It is true," says one writer, "that the Grand Trunk is linked up with the Transcontinental and the Grand Trunk Pacific roads, but this millstone on its neck was none of the seeking of the Grand Trunk Company." Repeatedly, for partisan ends, the view has been expressed that the Grand Trunk Company were obliged by undue pressure to undertake the Grand

Trunk Pacific road. The public have been, in effect, invited to believe that the late Mr. Charles M. Hays, the Grand Trunk General Manager of the time, was a mere child in railway matters, and that the clever men in the Ottawa Government led him astray. That, however, is not Mr. Smithers' account of the transaction. "In 1903," says Mr. Smithers, "Mr. Hays, the then General Manager of the Grand Trunk Railway, was anxious to open up connection with the North West, and proposed to build a line from North Bay to the Pacific. The Government of that day, on being approached, wished, however, to build a second transcontinental line, taking in Quebec, and proposed that a line should be built from Montreal, connecting there with a line from Halifax and St. John by the Intercolonial Railway, through Winnipeg and the Northern part of Ontario to Winnipeg, Edmonton, and a port on the Pacific coast."

Of course, the Grand Trunk Company in 1903 had proposed to build a line from North Bay to the Pa-

the way. But the Grand Trunk Company never proposed to do such a thing, by its own money or credit. It had new schemes in its mind, and it asked the Canadian Government to assist it in a very large undertaking. The answer of the Canadian Government was eminently proper. "Your Grand Trunk system," said the Government, "has its terminus in the United States. That condition may have been unavoidable when you built your road for the old Province of Canada generations ago. There are new conditions to-day. Canada is no longer a Province dependent on an American port for access to the sea. It is a Dominion extending from ocean to ocean. Our present transcontinental line, efficient as it is in most respects, has a weak point, inasmuch as it runs for some distance through a foreign territory. If we are to help you to build a second transcontinental railway, you must make it a real transcontinental, an all British, all Canadian line, extending down into the Maritime Provinces."

The Grand Trunk authorities saw the force of this view, and willingly entered into the negotiations from which came the Grand Trunk Pacific scheme.

Whether at that time there was need of a second transcontinental railway may, in the minds of some people, be a debateable question. More debateable, doubtless, will be the question whether, in more recent years, there was need of a third transcontinental line. Many there are who feel that there has been an overbuilding of railways. Many, however, are encouraged to take the more cheerful view that, notwithstanding the difficulties that have arisen, Canada will soon reap an abundant reward for her courageous if sometimes too advanced railway policy.

Whatever may be thought of the railway question generally, we believe that few who

give the matter thoughtful consideration will not admit that the Government were right in 1903, when they decided that if the Grand Trunk Company's project of a second trans-continental railway was to be entertained, it must be for an all British line, from ocean to ocean.

The value of an all British line ought to have been clear enough from the beginning. It has been clear enough to all who have had a knowledge of requirements during the past three years. One of these days somebody will furnish an interesting account of the invaluable service rendered to the Empire since August, 1914, by the Canadian railways, including the transcontinental system created by the Government and the Grand Trunk Railway Company under the Act of 1914. In the meantime, neither Mr. Smithers nor his associates need have any fear that the Canadian people, in any railway policy that may be proposed, will be unmindful of the great service which the Grand Trunk Railway Company has rendered to Canada.

### Loan Conversions

AN announcement that is virtually official comes from Ottawa, that "it is probable holders of the last two issues of Dominion war securities, namely, the maturing in 1918 and 1917, will be allowed to convert their holdings at the original issue price and accrued interest into any issue which may be made with a maturity of five years or more. It is the known desire of the Minister of Finance," the announcement continues, "that those who have been unable to subscribe to these issues should have no right of conversion shall be a good thing. It is a concession as other war issues may subscribe to war issues in the future."

It is evident that the Minister of Finance has in mind the necessity that must soon arise for the issue of a new loan, and that therefore he is anxious to keep the market prices of the existing loans at satisfactory figures. In this, if in anything, is to be found the reason for the announcement we have quoted. Neither the policy adopted nor the method of announcing it, however, is above criticism. The immediate effect of the statement was to enhance the price of the loans referred to. Whether the Finance Department should thus lend itself to the operations of the stock market is questionable.

The terms on which a Government loan is issued form a contract that should be unalterable between the Government and the investor. If the Minister proposed to alter such a contract by taking away from the investor any privilege which had been bought and paid for he would instantly be assailed for breach of faith. It is not clear that he has any more right to alter the contract to the advantage of the investor. The right of converting one issue of bonds into another of later date is a thing of some advantage and value. The Government get that value in the price they fix for the issue, and the investor pays for it when he pays the price so fixed. When a loan is issued without a conversion privilege, of course no such value is given by the Government or received by the buyer. To announce months afterward that such a privilege is to be given to the buyer—or rather to the present holder, who may not be the original buyer—is to give him something that he is not entitled to, since he has not paid for it, and to put him gratuitously on even terms with others who have had to buy and pay for the same privilege. It is the alteration of a contract which should be as unalterable on one side as on the other.

The Minister's desire to have the outstanding loans rank well in the market, so that he may hope to obtain a good price for his next issue, can be understood. But there is much room to doubt the wisdom of such an attempt to influence the market. If a tight money market makes it necessary for the Minister to issue his next loan on terms less favorable to the Government than the earlier loans, that is a disadvantage that the public must be content to bear. Will it not, in the end, be better to face this if necessary, than to alter, as he is doing, the terms of the contract on which the outstanding loans were issued? A bargain is a bargain, and in matters of such importance the bargain should be regarded on both sides as sacred.

### The Mark

A MAN'S financial standing is usually judged, not by his own claims, or even by the representations of his immediate family, but by what is thought of him in the business world in which he moves. So it is with a nation. Germany from time to time sends out rosy statements of successful operations for the financing of the war. But if we wish to know how Germany really stands in a financial way we should enquire of her neighbors. Formerly 100 German marks were equal in Geneva to 125 Swiss francs, and in Amsterdam to 69 Dutch florins. To-day, for the settlement of any bill in Switzerland, 100 German marks are worth only a shade above 64 francs, and in Amsterdam the 100 German coins are worth only 34 florins. The neighboring neutral states as these figures show has a significance that sober Germans will not fail to see.

### Ireland

HOW often it has happened that just when British statesmen and the British public were giving evidence of an earnest desire to do the fullest justice to Ireland their good purposes have been blocked or impeded by the folly of some Irishmen! The result of the election in East Clare, a few days ago, is probably the most severe blow that has been given to the constitutional movement for Home Rule, and the most disheartening answer to the assurances that have come from all quarters of a sincere desire to make the coming Irish convention the occasion of a happy settlement of the old Irish problem. East Clare has for many years been regarded as one of the safest Nationalist seats. It was represented in Parliament by the brother of the Nationalist leader—by Major William Redmond, who a few days ago gave his life for the Empire. In East Clare, if anywhere in Ireland, there was reason to expect a generous recognition of the current movements to settle the Irish question. Yet Prof. de Valera, one of the mad enthusiasts who are called the Sinn Fein, was elected by a vote of considerably more than two to one for the Nationalist candidate. Prof. de Valera, who was but recently released from prison, is the third Sinn Fein member elected in Ireland within a short time, the others being "Count" Plunkett and Mr. Maguire. None of

these men will attempt to take a seat in the House of Commons. They intend their election to be a protest against any Irish policy short of the recognition of Ireland as an independent nation. There have always been some Irishmen holding these extreme views, but it had been thought of late that their number was not large, and that if the British Government could meet the desires of Mr. John Redmond and his Nationalist friends, a happy settlement would follow. These Sinn Fein victories, and particularly the latest one in East Clare, seem to indicate that in their desire to meet half-way the British efforts to do justice to Ireland, the Nationalist party have lost the control of the situation which they once had. The prospect of a revival of the old demand for a kind of Home Rule which would take Ireland out of the Empire is particularly disheartening now. The proposed convention, we may assume, will still be held, but the outlook for its success is made much more discouraging by the remarkable result of the East Clare contest.

### London's Financial System

THAT there are things in which the rest of the world may learn useful lessons from Germany may readily be admitted. In some lines of industrial education, German methods have proved effective, and doubtless there are some other directions in which the German genius for efficient organization may be admired. It has been claimed that in facilities for the encouragement of foreign commerce Germany has been ahead of Great Britain, and the British people are sometimes called on to follow German examples. There is now a movement on foot to establish a new concern to be called the British Trade Corporation, to supply the alleged want. Traders, we are told, have repeatedly gone to the British Board of Trade asking that some organization be established to serve business interests as the Deutsche Bank has served the trade interests of Germany. Statements of this kind have moved a writer in the London Economist to protest against the idea that what the Deutsche Bank has been doing to facilitate trade is unusual and without an equivalent in the British system. The most that can be said for the German bank's method is that it comprises within one corporation several lines of financial operations which London, from its experience, finds can be best carried on separately. "The Deutsche Banks," says this writer, "does not indulge in conjuring tricks, nor has it evolved any method of finance that is not already practised in London. It appeals, however, to the imagination on account of its imposing size and manifold activities, for it is a clearing bank, an accepting house, an issuing house, a discount company and promoting syndicate rolled into one." In London each of these functions is performed by a separate institution, each one specializing in its particular line, and the Londoner thinks, doing the work better than all can be done by any one concern. The only point in which it is admitted the German system excels is the promoting business, which Germany has been able to do better than London, because of the German superiority in technical education. This, it is confessed, has given the German banks the benefit of the services of highly trained technical advisers. In this respect we may be sure that, in the arrangement of after-the-war trade plans, John Bull will make a vigorous effort to overtake his rival, and that there will be no ground of complaint as to London's ability to hold its own in competition with Berlin.

# Crop Prospects for 1917

By ERNEST H. GODFREY, F.S.S.

With the publication by the Census and Statistics Office of the preliminary estimates of the areas sown to the principal cereals, some idea of the crop prospects for the current season, so far as they depend upon areas sown. The reports on the condition of the growing crops, issued recently by both the Dominion and the Provincial Governments, indicate the influence which the character of the season is beginning to have over the eventual yield. We will deal with these two points of areas sown and conditions of the growing crops in order.

## ACREAGE OF EARLY SOWN CEREALS.

There is a fairly general realization that the coming season is of critical importance in its relation to the harvests of the world, and especially to the needs of the Allied armies at the battle front. The farmers of Canada have, it is believed, put forth their best efforts to overcome difficulties and sow as large an area as possible, first with wheat, and secondly with other cereals. The difficulties have not been small, and have been caused not alone by scarcity of labour due to the absence of so many young men at the war, but also to seasonal conditions of rather exceptional character. In the first place, owing to the unfavorable weather of last fall, the area sown to winter wheat was considerably less than usual, being only 813,400 acres, instead of over one million acres, as in previous years. A more than ordinarily severe winter caused a great deal of this area to be destroyed, and at the end of the winter the acreage under fall wheat was greatly reduced. The long-drawn severity of the winter and lateness of the spring greatly curtailed the time available for the sowing of spring wheat, so that one is not surprised to learn that the total acreage under wheat this year is estimated to be less than either of the two previous years, when under the stimulus of the war, special efforts to increase the acreage met with so much success. Yet, although the total wheat area this year, amounting to 13,450,250 acres, is less by ten per cent. than last year's sown area of 14,897,000 acres, it is still more by 4 per cent. than the area harvested last year, viz., 12,879,500 acres. Altogether, therefore, so far as area is concerned, the prospect is for a better result. Where the shortness of the seeding season prevented the sowing of wheat, efforts were directed to other crops, and this accounts for a considerable increase in the area sown to oats, which are estimated to occupy 11,781,900 acres, as compared with 11,376,346 acres, the area sown, and 9,875,346 acres, the area harvested last year. The following statement shows the areas estimated to be sown this year to early cereals, hay and clover, as compared with the areas harvested in 1915 and 1916:

Crops.	1915.	1916.	1917.
Fall wheat .. . . .	1,124,200	932,529	809,250
Spring wheat .. . . .	13,551,100	11,968,061	12,641,000
All wheat .. . . .	14,675,300	12,900,590	13,450,250
Oats .. . . .	11,424,600	9,875,346	11,781,900
Barley .. . . .	1,707,650	1,681,180	1,954,100
Rye .. . . .	112,300	147,170	159,470
Peas .. . . .	196,210	159,680	152,465
Mixed Grains .. . . .	466,300	410,726	558,250
Hay and Clover .. . . .	7,875,000	7,892,932	7,661,800
Alfalfa .. . . .	92,490	89,472	84,900

The areas for 1917 given in the table are, it must be remembered, only the first or preliminary estimate. A second estimate will be published after the end of June, when all the seeding will have been completed. And a final revision will be effected later in the year, when the results are completed of the collection of crop statistics in certain of the provinces, which for the first time has been under co-operative arrangements between the Dominion and the Provincial Governments.

## CONDITION OF FIELD CROPS.

Added to the increased destruction of the fall wheat crop by winter-killing, we have the fact that the surviving areas were of poor appearance at the close of the winter. Thus, at the end of April the condition of fall wheat was represented by the low percentage of 69 of the standard or full crop—a condition lower than any previous record at the same date. Measured against the eight-year average, this condition indicated a prospective yield per acre of 82 per cent.; that is, 18 per cent. below the average. For the spring sown crops the condition on May 31 was lower than in any recent year, but no doubt this was partly due to the lateness of the season, and we may expect a higher condition as the growth

proceeds. The following statement shows the condition of the crops on May 31, for the past eight years:

NOTE—100 = standard or full crop.

Crops.	1910	1911	1912	1913	1914	1915	1916	1917
Fall wheat .. . . .	88	81	71	81	80	94	84	71
Spring wheat .. . . .	91	97	94	92	92	96	92	87
All wheat .. . . .	90	92	87	89	91	95	90	84
Oats .. . . .	94	95	92	92	93	92	90	85
Barley .. . . .	93	93	91	91	92	92	89	87
Rye .. . . .	88	90	87	88	89	91	91	86
Peas .. . . .	93	92	84	88	92	93	90	88
Mixed grains .. . . .	95	94	88	90	93	91	89	89
Hay & clover .. . . .	98	91	96	81	90	86	98	80
Alfalfa .. . . .	.. . . .	.. . . .	.. . . .	.. . . .	.. . . .	.. . . .	.. . . .	.. . . .

The statement shows for all the crops a somewhat lower condition than is usual at this time of the year; but with favourable weather there is ample time for recovery. June has, on the whole, been a good growing month, and the reports so far received are encouraging. Of the three Atlantic provinces, conditions in Prince Edward Island are reported as entirely favourable for all crops—cereals, roots, corn and potatoes. A heavy hay crop is assured in most districts, and all kinds of fruit promise well, as no frost has occurred since the bloom opened. In Nova Scotia and New Brunswick cold and wet weather retarded seeding, and delayed growth; but grain crops in Nova Scotia have made rapid progress since June 12, and in New Brunswick the potato acreage is believed to be above the average, though affected by the wet and by shortage of fertilizers. In Quebec vegetation is backward, and crops have suffered from excessive rain, especially those on low-lying lands and on stiff soils. Hay promises to be a big

crop. In Ontario, the fall wheat has in some cases made a wonderful recovery from the set-back of the severe weather, and the late, cold spring, but in others it still shows the effect of these conditions.

All spring-sown crops are reported as doing well, and showing great promise, whilst pastures are in first class condition, and the flow of milk is excellent. In Manitoba wheat is reported as being uneven, and in some parts has suffered severely from a night frost about June 21. In this province much will depend upon the prolongation of warm weather later in the season. In Saskatchewan, the crops are from seven to ten days later than last year, which itself was not an early season. Straw apparently will be short, except on the summer fallows. In Alberta the latest report at the end of June states that all crops are looking very well, with warm weather and plenty of moisture prevailing all over the province; so that the conditions are ideal for good growth. Potatoes and root crops are making excellent progress. In British Columbia the cereal crops, although somewhat later than usual, are promising well; so are the fruit crops, cherries and strawberries being abundant.

## URBAN AGRICULTURE AND GARDENING.

A movement which appears to have become very general throughout Canada this year, is the bringing under cultivation in the towns of vacant building lots, and the growth of vegetables in private gardens. The efforts that are being made in this direction will, in the aggregate, prove of considerable value in connection with the national food supply, and should especially improve the situation as regards potatoes, the field crops of which have been poor during two successive years, and the price correspondingly high. In this direction the younger women of our cities and towns are rendering admirable service for the general benefit of the community, which includes the raising of the standard of their own physical health.

# Official Report

The press bulletin issued by the Census and Statistics Office, Ottawa, gives the following report on the condition of field crops throughout Canada at the end of June, as summarized from telegrams from selected correspondents, including the Superintendents of the Dominion Experimental Farms by arrangement with the Department of Agriculture. The reports for Saskatchewan and Alberta are furnished by the respective Departments of Agriculture for those provinces.

ATLANTIC PROVINCES.—In Prince Edward Island the weather conditions have been favorable for maximum growth and a heavy hay crop is assured in most districts. Cereal crops are sturdy and healthy in appearance, while early wheat is two feet high. Roots, corn and potatoes germinated well and growing rapidly. Fruit of all kinds is most promising, as no frost occurred since the bloom opened. In Nova Scotia seeding was retarded by the wet weather; but crops since June 12 have been making rapid progress. Fruit prospects are good. In New Brunswick a wet cold May was followed by a wet June. The grain acreage is short, and the stand poor. The potato acreage is probably above average, though below expectation, owing to wet and shortness of fertilizers. Large hay crop assured; pastures are luxuriant, and the milk flow large.

QUEBEC.—Vegetation is very backward, and the crops have suffered from excessive rains during June, especially those on lowlands and strong soils. Hay promises to be a big crop. Potatoes look well. In some parts seven inches of rain fell during June, and the acreage under field roots will be considerably increased owing to the failure of grain.

ONTARIO.—Ottawa: The grain crops promise well, having a good stand and being even and well stooled. Hay is an average crop. Corn is good and roots are first class. All crops are from ten days to two weeks late. Peterborough: Fall wheat will average only half a crop. Early sown spring grains are promising, but from 10 to 15 days late. The hay crop is light; corn, potatoes and roots are doing well. Waterloo, N.R.: Wheat crop small, just heading out. Spring crops promise well. Corn shows poor growth. Potatoes look fairly well. Hyde Park: All crops making great headway, though six weeks late. Potatoes variable, bugs voracious. No apples. A great crop of strawberries. Petrolia: Season late. Fall wheat and spring grains promise a heavy crop. Hay, clover and alfalfa average. Winter

crop prospects are good. Not over 5 per cent. of apples 15 per cent. of peaches only fair. June 21st, new harvest. In Temiskaming district crops are slightly below average, and later than last year. All wheat, peas and hay are good, oats fair, spring wheat average, clover and pasture excellent. With good growing weather

MANITOBA—Dauphin: Wheat two weeks later than last year, cut one-third by dry seed bed, May frosts and prolonged dry weather. Plenty of moisture now. Wheat very ragged. Much in shot blade and some just coming through. Oats good and barley very good. Millwood: Since rains commenced on 19th all crops made good growth. Wheat uneven germination; 50 per cent. in shot blade. Dominion City: Average wheat crop almost assured. With favourable weather for a late harvest there should be an abundance of coarse grains and fodders, and a big yield of potatoes and vegetables. Elm Creek: Grain crops in good shape. Light showers ideal for the formation of wheat heads. Hoed crops uneven and pastures very light. Manitou: Not sufficient rain. Severe frost night of 21st, froze wheat and some oats in low lands. Early sown wheat and oats very short and heading out. Franklin: Crops two weeks late. Good showers lately, but lack of heat. A fair promise on present appearances. Brandon: Only two-thirds of an inch rainfall before last week of June. Severe late frosts and high winds make the crop conditions the worst in many years. Grain at least three weeks late and very uneven. Almost no growth of hay and fodder crops. Prospects improved by showers last week. Beresford: Crops two weeks later than average through repeated frosts and dry weather. Favourable rains have fallen recently, and prospects are for a good half crop. Hay light and pastures poor. Pierson: Late frosts have done great damage, 75 per cent. of wheat frozen, coarse grains late. With best of condition may get 12 bushels per acre of wheat. Prospects better for barley, oats and flax. Root crops damaged by frost.

SASKATCHEWAN.—The Provincial Department of Agriculture reports that the crops are from seven to ten days later than last year. Some wheat is in shot blade. The straw will be short except on summer fallows, where abundant rains and warm days have caused rapid growth. About half the summer fallowing is completed, and the acreage of new breaking and summer fallowing shows slight increase over last year. The Dominion Experimental

(Concluded on page 4).

## Profiteering in Food

### British Government Accused of Requisitioning Stocks of Foodstuffs and Disposing of Them at Large Profits

The British Government's methods in dealing with the profiteering problem are meeting with widespread criticism from both dealers and consumers. The chief complaint is that the Government, after requisitioning stocks of various foodstuffs in order to prevent profiteering, has been guilty of profiteering itself by making large advances in the prices at which the stocks were taken over.

Commenting upon the situation, the London "Times" says:

"The statements as to the large profits now being made by the State out of its operations in beans, peas, other pulses and rice have undoubtedly stimulated a movement which has been gathering force for some time past. Primarily, no doubt, it is a movement of self-defense. Whole trades have had to witness loss of business during the past few months without compensation, and they will endeavor to show that in some instances Government action has been fraught with danger to the commerce of the country."

#### GOVERNMENT CRITICISED.

A number of letters of protest against State profiteering have been published by the "Times." One correspondent writes:

"The avowed object of the Government in taking over peas, beans, etc., was to prevent profiteering. Very well. Having fixed the price of Burma beans at £37 per ton, they now coolly ask purchasers £58 per ton, a profit which surely must bring tears of envy to the eyes of the most soulless profiteer amongst them all. Your correspondent defends this action on the ground that the State takes the profit; but if it is morally wrong for an individual to make huge profits on food in wartime, by what process does it become morally right when the Government steps into the shoes of the individual?"

"I have the impression that the Government's policy in the trade is that the taking over of the beans involved heavy losses for merchants, brokers, and distributors, and that the Government is now able to make a very handsome profit by the transaction." He adds:

"What is happening in beans is occurring, to some extent, in other trades. Thus, the whole of the rice trade has been taken over by the Government, which has fixed a wholesale price c.i.f. London at 25s a cwt., while the trade estimates that, in view of the State control of all shipping, the cost of bringing the rice to this country should be about 12s a cwt."

"Again, the market price for Indian lentils when the Government took charge of this commodity, was about 15s per quarter. The price at which it is now prepared to sell lentils is 19s per quarter. Again, it is understood that Japanese peas (? beans) were offered recently to the Wheat Commission at £45 per ton, and that the Commission is prepared to sell these peas (? beans) at £75 per ton."

#### TRADE IS SUFFERER.

"The contention of the various trades affected is that all that was required was for the Government to fix maximum prices for the wholesale and retail trades. They were urged to do this, for instance, with beans, when the scarcity of potatoes brought about a new demand for this commodity. It is contended that large staffs are employed by the Government departments dealing with these commodities, all the members of which have not expert knowledge, and that comparatively small staffs of men highly trained in the trades could do efficiently the work that is now being done."

"No doubt the answer of Government departments to the charge of 'profiteering' would be that such profits as are realized go to the State. Merchants, on the other hand, see that trades which they have gradually developed are being taken away from them without compensation, and they contend that the public could be sufficiently safeguarded by the fixing of maximum prices, and the excess profit taxation of 80 per cent and heavy income tax."

In an article on dissatisfaction with State trading, the "Times" says:

"The attitude of merchants generally seems to be that the army of controllers, to the ranks of which there are such frequent additions, is now on its trial. It is understood that the London Chamber of Commerce is interesting itself in the matter. Statements

are being prepared by the various trade associations which will duly be examined and correlated. A full statement will then probably be submitted to the Government, and, if this is ineffective, a public meeting is likely to be called.

"The contention is, broadly, that, with the exception of the controllers of food and shipping, the need for whom is generally admitted, most of the appointments have not been advantageous to the country. It is maintained that the establishment of the numerous offices has caused very great expense to the nation, and that the action of controllers in general has caused a diminution of the supply of the various commodities without bringing about a reduction of prices. The merchant, as long as he is in business, is always ordering fresh stocks to replace what he sells. Venture succeeds venture. Are the Government officials showing the same initiative in securing supplies? Merchants are asking the question, and say they have absolutely no means of answering it."

#### DANGER OF SITUATION.

"Traders maintain that no Government should attempt what is described as the impossible task of regulating the world's commerce. Where the whole of the supply comes from within the United Kingdom, or even from within the British Empire, control is comparatively simple. Where, however, a large proportion is grown in foreign countries, the danger naturally exists that the supply may be diverted to markets which outbid by a fractional sum. When there is shown to be any combination to raise prices artificially or to hold back stocks, then Government action is alleged, admittedly required, but where the markets are entirely free, interference with the supply and demand might bring about a stoppage or reduction of supplies to this country."

"Undoubtedly the business of merchants has long been under the greatest disabilities. Some of these disabilities are not possible."

"Business in war time cannot be carried on under natural conditions, and safeguards must be introduced. Still, an enormous amount of time is occupied in applying for licenses, filling up forms, and dealing with what are described as petty objections and obstructions, imposed by numerous officials who have had no commercial training."

"It may be that all this, control is absolutely necessary but traders argue that they would be lacking in their duty to themselves if they did not call for the fullest investigation. Firms of the highest standing have no objection to very heavy taxation—they know that the war has to be paid for—but they do object very strongly to the transfer of businesses which have taken generations to build up, into the hands of officials who feel that they are looked upon by Government sharply criticised. Rightly or wrongly, many merchants feel that they are looked upon by Government officials as suspected persons and 'profiteers'; and there is no doubt at all of the fight they intend to make for the resumption of their business on normal lines, subject to such control of prices as may be considered necessary. It is worth remembering that the firms have assumed obligations toward those of their staffs who are now serving with the forces, and, while business after business is being transferred to Government hands, their income derived from legitimate enterprise is ceasing."

#### WHEAT DISTRIBUTION.

The amount of wheat estimated by the Daily Trade Bulletin, marketed by farmers of the United States during the harvest year is about 620,000,000 bushels, and quantity used for seed about 80,000,000 bushels, making a consumption from the farms of 700,000,000 bushels. Official estimate of the crop was 640,000,000 bushels, and the amount on farms on July 1, 1916, about 74,000,000 bushels—a total of 714,000,000 bushels. This would indicate a farm supply on hand of about 14,000,000 bushels on July 1, 1917.

Mr. C. A. Magrath, Fuel Controller, urges economy in the use of coal, substituting wood and coke wherever possible. He also urges the laying in of fuel supply at the earliest possible moment by both domestic and industrial users of coal.

#### OFFICIAL CROP REPORT.

(Continued from page 3).

have worked favourably for all crops. Hay crops not fully recovered from drought in May, but grain and hoed crops are excellent. At the Scott Station crops were injured by both frost and drought. The total rainfall for June was less than one inch. Hay crops promise to be very light, and grain crops short in straw. Many vegetable gardens proving failures. At Indian Head the weather during June was warm and showery. Grain crops have made good progress.

ALBERTA.—The Provincial Department of Agriculture reports that the crop conditions during June were very encouraging. The first two weeks were cool, and the late sown crops appeared very backward. During the last two weeks the weather has been ideal over the whole province. Growing show-ers visited a large percentage of crop area, and heavy rains with warmer weather, where most needed. Slight frost and hail first part of month, none since. The Dominion Experimental Farm reports that at Lacombe the weather during June will average below normal temperature. Wheat 35, oats 24, barley 22 inches high. Hay prospects good. At Lethbridge the rainfall during June has been light, only about one-third of the average for the last fifteen years. All but late sown grain is in excellent condition, but in imperative need of immediate moisture. The total area in crop is greater than last year, the largest increase being in flax.

BRITISH COLUMBIA.—Agassiz: Most crops good, later than average, but earlier than last year. Invermere: Crops backward, but promise well. Root crops damaged by cutworms. Summerland: Apple crop 20 per cent. higher than last year. Grain making good growth. Hay good. Sidney: Hay crop about average, autumn cereals developing well, spring cereals, potatoes, roots and beans doing well. Orchard fruits, except cherries, abundant. Small fruits average, with strawberries excellent.

#### CANADIAN FAILURES FOR SECOND QUARTER, 1917.

Dun's Review now presents the Canadian failures for the second quarter of 1917. These disclose 248 commercial insolvencies, involving \$4,415,376, against 435 in the corresponding period of 1916 for \$6,524,500. Manufacturing defaults show a reduction in number of 46—from 105 to 59—and the liabilities fell from \$2,757,401 to \$1,725,839. Among traders there were only 171 reverses for \$1,986,826, as compared with 312 last year for \$3,553,499, while in the class embracing agents, brokers and other concerns not properly included in either manufacturing or trading 18 failures were reported, against the same number in 1916, but the indebtedness increased from \$213,600 to \$702,711.

#### BRITAIN'S FIGHTING FORCE.

Somewhat over 2,200,000 fighting men are maintained by Britain on the French front. This great total is exclusive of the Empire's strength in all other fields, such as Macedonia, Egypt, Palestine, Africa. In giving these and other interesting details in an address in New York, Lord Northcliffe declared that the word maintain meant that this huge body of men is kept up to fighting strength, the terrific drain of killed, wounded and sick being constantly replaced.

#### CANADIAN FAILURES FOR THE WEEK.

Failures in Canada last week numbered 17, against 14 the previous week, and 28 the corresponding week last year.

The last half of the ninth, with the score tied, two out and the bases full—and Uncle Sam is some pinch hitter.—Atta boy!—Boston Transcript.

When Billy Bennett applied for a job as office boy he produced testimonials from two clergymen who knew him well. But the hard-hearted business man was not particularly impressed by them.

"We don't want you on Sundays, my lad," he said. "Haven't you a reference from somebody who knows you on week days?"—New York Times.

# Banking and Business Affairs in the U. S.

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

New York, July 14, 1917.

The vast sum which the country will be called on to provide on account of war expenditures is further indicated by the statement that in addition to the \$7,000,000,000 already appropriated at least \$3,000,000,000 more will be required from the present Congress, making the total for the first year \$10,000,000,000. With the cost of the war daily mounting, and with the growing demand for war loans by some of the Allied Powers, even this enormous sum may prove insufficient. Absolutely no disposition exists anywhere to balk at whatever expenditure may be necessary, although naturally the statesmen of the country do not wish lightly to involve the people in such a huge indebtedness. They will therefore give careful consideration to some of the items calling for large expenditures, weighing them not so much with regard to their cost as in respect of their efficacy. Even with the experience of Europe to guide us, it would be miraculous should we escape some costly blunders. It is not mere boasting to say that the American business man has an enviable reputation for cleverness; but his abilities have been employed and developed almost wholly in commercial and industrial undertakings. About the problems that arise in giving effect to the national power in its military policies he knows, from experience, very little. Of course, in so far as those problems are purely industrial and commercial he can grapple with them; but even here he is compelled to work under conditions and limitations with which he is unfamiliar. The freedom of action to which he has been accustomed in conducting its own enterprises is restricted by methods which to him seem slow and cumbersome. He is bound by red tape and impatient of delays that seem to him unnecessary.

Despite these limitations, many of which are necessary in the conduct of Government business, there is a commendable degree of co-operation between the Government and the productive industries of the country, and slowly the great machinery of the United States is being adjusted to the task before it.

## SHIPBUILDING PROGRESS.

Tentative announcement was made this week of the initial plans for shipbuilding to help in replacing the loss of tonnage caused by operations of German submarines. It would seem from this statement that ships of wood and steel, are both to be utilized. The announcement, made to-day by General Goethals says:

"Contracts for 348 wood ships have been let, or agreed upon, with a tonnage capacity of 1,218,000 tons, at a cost, completed, of approximately \$174,000,000.

"In addition, I have under negotiation contracts for about 100 wood ships.

"Contracts for 77 steel ships have been let, or agreed upon, with a tonnage of 642,800 tons, at a cost of approximately \$101,660,356.

"There are thus provided 425 ships of all sorts, with an aggregate tonnage of 1,860,800, at a cost of approximately \$275,000,000, besides 100 more wood ships under negotiation. I shall continue to let all contracts for wood ships of design approved by the naval architect of the corporation which I can secure from responsible bidders.

### "2. Construction of standardized ships:

"My main reliance for getting the greatest amount of the most serviceable tonnage in the shortest time will be on the construction of fabricated steel ships of standard patterns. For that purpose I shall use, to some extent, the existing yards.

"On Monday I shall offer contracts for the building of two plants (to be owned by the Government) for the construction of fabricated steel ships, to produce 400 ships of an aggregate tonnage capacity of 2,500,000 tons within the next eighteen to twenty-four months."

Next week General Goethals also will outline to the country's shipbuilders his plans for commanding 1,500,000 tons of shipping under construction for private account. This will be taken over completely and its construction expedited by giving Government help.

Now that the preliminaries for the shipbuilding programme are settled, it is expected that in a very short time Congress will agree upon a plan for constructing a large air fleet, the proposal being to appropriate for this purpose at the outset some \$640,000,000.

## THE EMBARGO ON EXPORTS.

One of the most important economic acts since the beginning of the war was the issue of a proclamation by President Wilson, on July 9th, barring certain exports except under Federal license. Railroads have placed embargoes, effective immediately, against all shipments of coal, coke, feed grain, flour and meal therefrom; fodder, meat and fats, fuel oils, kerosene, gasoline, pig iron, steel billets, ship plates (structural shapes), scrap iron and steel, ferromanganese, fertilizers, arms, ammunition, explosives consigned, reconsigned, to be reconsigned or intended for export, except when bill of lading is presented with Federal license number furnished or authorized by Expert Council at Washington and according to announcement of Department of Commerce, together with permit number authorized by the port delivery road. Arrangements have been made under which all shipments consigned to points in Canada can go forward as heretofore, special licenses covering same having been issued through the customs service.

This means that the Government at Washington can determine what shipments of these commodities are to be made, and where they are to go. The main purpose of this somewhat drastic measure is to stop the sending of foods and other supplies to neutral countries, thence to be re-exported to Germany. Rigorously enforced it will have the effect of helping very materially in shortening the war.

It is apparent, however, that this control over exports may somewhat curtail shipments to other neutral countries not suspected of supplying Germany. The aim of the measure is not only to shut off indirect exports to Germany, but to keep as much of the articles included in the embargo for ourselves and ourselves—a measure which the shipping ties of war fully sustain.

## PRICES OF UNITED STATES

Some comment has been felt that the new United States Liberty Bonds have fallen slightly below par on the New York Stock Exchange. When the first of these quotations appeared, there was much talk of the lack of patriotism on the part of any one offering the bonds below par, and suggestions were even made of administering some sort of discipline to the persons supposed to be responsible for the act. But it is now seen that the bond market is something governed by business conditions rather than by sentiment. The amount of these bonds offered on the market below par would seem to stamp the matter as a business transaction purely.

The fact is that the bond situation, taken altogether, is not a favorable one. As an example of this the recent experience of the City of New York is a case in point. Its 4 1/2 per cent. bonds offered this week brought only 100.6, whereas in 1908 bonds bearing the same rate were placed at 104. Early in the present year bonds of this same class have sold at 111.

We already hear talk of a new issue of Government bonds early in September, although this report has been controlled by the Secretary of the Treasury. Nevertheless necessity for the sale of more bonds may arise by the middle of September or before. Should the first issue continue below par until the time of offering a new loan, it will probably become necessary to raise the rate above the 3 1/2 per cent. which the first installment of Liberty Bonds bore.

There are several other classes of United States bonds outstanding which are selling below par—the two per cents of 1930, recently quoted at 96 1/2; three per cents of 1918 at 99; Panama two per cents of 1936 and 1938 at 96. Some of these bonds bear the circulation privilege (that is, they may be used by the National banks as a basis of their note issues), and this advantage compensates for the slightly lower interest rate.

In view of the probable necessity of making large issues of Government bonds in the near future, it becomes an open question whether the Government might not gain by unifying all its outstanding obligations, thus recognizing conditions in the bond market as they exist at the present time.

## GOOD CROP PROSPECTS.

Evidently the propaganda carried on for some time with so much zeal looking to the increase of agricultural production has had some effect, the

July crop report showing a possible maximum with respect to the maize output, while other grains also come up to high figures. Taken altogether, it is not unlikely that corn, oats and wheat will show a combined product of some 780,000,000 bushels above last year.

It will be recognized, of course, that the predictions in regard to corn remain to be verified, for later weather conditions may affect unfavorably the present gratifying outlook. Taking things as they are, however, there would seem no immediate danger of a serious food shortage in this country, and should the present favorable outlook be justified by the crops actually produced, we shall be in a position to help with food those who are fighting against German militarism. The tightening of restrictions on exports to neutrals will also virtually have the effect of largely increasing our food supplies for this purpose.

Hardly of less importance is the effect of large crops on business here. No single factor has such sentimental and actual influence on our trade. Observers of business conditions closely watch the fluctuations from week to week in the crop situation, fully realizing that the stimulus of good crops will extend through all branches of business, while poor crops will have a depressing effect. As preparations for the fall trade are already well advanced, it is pleasing to know that, so far as may be judged by present indications, the farmers of the country have done their full share to make the coming season one of exceptional prosperity.

## AMERICAN BANK FOR FOREIGN TRADE.

Announcement was made this week of the organization in New York of the American Foreign Banking Corporation, which it is expected will begin business in September, the capital stock at the outset to be \$2,000,000.

This institution will be owned by other banks, and its object is to extend American banking into other countries. The Federal Reserve Act, which originally provided merely that National banks with a capital of \$1,000,000 and over might establish foreign branches, was amended so as to permit National banks to own stock in an institution specially organized for engaging in banking in other countries.

Although the bank starts with a small capital for an institution of this character, it is backed by a number of banks of the highest standing and should succeed. No doubt the capital will be increased as occasion requires.

The National City Bank of New York, with the affiliated International Banking Corporation, was the first to get into the field, under the original provision of the Federal Reserve Act, and already has some thirty branches in operation in various quarters of the world. The Mercantile Bank of the Americas, backed by important New York financial interests, is also operating extensively in certain parts of Latin America. One or two of the National banks, besides the National City Bank of New York, as well as two or three New York trust companies, have some foreign branches.

The American Foreign Banking Corporation represents the movement which aims to unite a number of banks for foreign service, and in some respects resembles the proposal for joint efforts in international trade on the part of the leading industrial concerns.

The new movement will be watched with interest here. While many American banks are reluctant themselves to enter the foreign field, they do not take readily to the suggestion of joint effort in this direction.

Bankers in New York say that the chief difficulty at present in extending our banking operations abroad consists in the inability to find men properly fitted for the services required.

## COPPER DIVIDENDS MAKE RECORD.

In the first six months of 1917, forty-three copper companies paid \$87,987,530 in cash dividends bringing their total dividends to \$932,608,689 disbursed out of operating profits from the present properties of these companies.

The profits in the period are said to have been \$161,500,000, consumption is figured at 1,315,000,000 lbs., and the mine output 1,266,377,000 lbs. It is stated that the costs are much higher but the profits continue large and the outlook for the second half is called "most promising." The dividends paid by the companies establish a new high record.

# A Tax on Individual Expenditures

By H. M. P. ECKARDT.

From time to time experts here have suggested that a tax on the expenditures of the people would give better results all round than taxation of incomes as usually applied. A news despatch of a few days ago refers to the tax on expenditures instituted by the French Government—5 per cent on necessities and 10 per cent on luxuries or non-essentials. Apparently the merchants, dealers, etc., are to collect the tax, adding it to the bill of goods as sales are made, and accounting to the Treasury for the percentages added to their selling prices. Under such a system of taxation it would be necessary for the Government to keep watch sharply on the business dealings and circumstances of the parties engaged in trade. It would require to guard against the tactics of dishonest merchants who would be disposed to retain for themselves a part of the extra price collected from customers; and also there would be the risk of loss in connection with taxes collected by weak or struggling tradesmen. An elaborate machinery would perhaps be necessary to guard against such losses. The merchants would be obliged to keep a record, on special forms, of all sales of goods subject to tax, and doubtless a force of inspectors would be required to check up the figures submitted. And it would not be advisable for the merchants to retain the Government funds for any length of time—it might be necessary to require them, in many cases, to turn in the tax money daily. For example, arrangements might be made for the merchant to deposit the tax each day to credit of the Government at the banking office where his account is carried, the Government making suitable arrangements to reimburse the bank for the work involved.

Of course, the average family expends a considerable amount of money every year on items other than necessities, etc. The outlay of a wealthy family on wages and salaries would amount to a considerable sum, and this doubtless should be taxed. It is not the objections to having the rich pay the tax and account for it that are the objection. It would be better if the employers file declarations at the end of each year setting out the amounts paid in wages and in other ways, and if not otherwise taxed. So far as rents are concerned there would be no difficulty in having the landlords collect the tax, just as the grocer and the butcher collect the tax on expenditures for provisions. It is a feature of the income tax as applied in the United Kingdom and the United States, that the rate rises sharply as the individual's income increases, the idea or intention being to tax the wealthy people a much larger proportion of their incomes. The same principle could be applied to taxation of expenditures. Thus rentals up to a certain amount might be exempted, and a small rate of taxation applied to small rentals with a rising rate for the larger ones. The item of wages could be treated similarly the larger the amount expended in this way the heavier the tax rate. This would be the rule regarding wages for domestic servants, chauffeurs, and personal attendants—it would obviously require to be modified in connection with the wages and salaries paid by business establishments. Thus the luxuries and special outlays of the rich would be subject to taxes at the highest rate; while on the other hand a man with a large income who lived simply would not be so heavily mulcted.

It is one of the strong arguments in favor of a taxation system like that just outlined, that it works powerfully to induce the people to save and accumulate capital it would not penalize the man with brains and energy, who by skilful management of productive enterprises greatly increases his annual income. The income tax, as applied in the United States, has a tendency to drive capitalists into what might be called moribund gilt-edged securities, such as tax-exempt government bonds. Many of these men are highly qualified to make good use of their capital in connection with industrial and mercantile enterprises, and it is in the best interest of the country to have them employ their money in that way. It must be reckoned a public calamity if any large number of capable wealthy investors should be forced to cease exercising their good judgment in regard to investments in industrials, etc., in order to obtain the tax-exemption incidental to certain government bonds. No one doubts the wisdom and propriety of taxing the wealthy in proportion to their wealth—they should pay and most of them are quite willing to pay taxes at a much higher rate than men with moderate incomes are re-

quired to pay; but there is danger in going to extremes. The other day, a leading Toronto paper published a letter from an extremist, who in discussing the conscription of wealth, advocated that all incomes in excess of \$10,000 per year be confiscated in toto—his theory being that, as no man needed more than that annual income to provide for himself and family, the state should take the remainder. Of course, there is no likelihood that such a ridiculous proposal will be adopted, but it is necessary to remember that in democratic countries during a great crisis such as is now in evidence, there is tremendous pressure in the direction of going to extremes in this matter of taxing wealth and industry. In many cases the people who ardently press for the adoption of radical programmes of taxation have no conception whatever of the economic effects that would be produced by the schemes they propose.

That is one reason why it seems regrettable that the great democratic nations of the world have committed themselves so definitely to the income tax as a means of raising the huge sums required for financing the war. If the general custom was to rely to some extent on taxation of expenditures, the extremists who wish to get after the rich might be given considerable latitude without so much danger of injury to the national economic position. If they wished to soak the rich man buying a \$10,000 motor car for a thousand or two in taxes on his purchase, nobody would object very much and business would not be injured. The rich man need not pay the tax if he denied himself the pleasure of buying the car. In the same way they might pile on the taxes in connection with the purchase by the rich of other

luxuries. The buying of a costly painting could be made to contribute a considerable sum to the national exchequer—the same with purchases of high-priced rugs, china, gold and silver ware. No doubt, it would be desired to collect, if possible, a percentage on the millionaire's outlay when he takes his family for a trip abroad. This outlay, too, would be up in the "thousands"; and 10, 15, or 20 per cent on it would yield a respectable sum. It might be arranged to have the citizen include such outlay as this in his annual declaration of expenditure.

The beauty of a taxation scheme like this is that each man has a considerable say in the matter of taxation payable by him. If he keeps his expenses down, cutting out the items listed as luxuries or non-essentials, his taxes are low; and if he indulges freely and sets his standard of living on a high scale, his contribution to the national exchequer correspondingly increases. This would, of course, have a powerful effect in imbuing the people with thrifty and economical ideas, and the spread of such ideas would greatly strengthen the national character and the national finances. Non-producing spendthrifts would be separated from their belongings more quickly than under the present conditions. There would, undoubtedly, be some displeasing developments. We might see examples of millionaires living in cheap lodgings and subsisting on fifteen cent lunches for the sake of avoiding their due share of taxation. It is, perhaps, not to be expected that Canada's new financial programme will include general taxation of expenditures in lieu of income taxes; but, all the same, the Government might with advantage give consideration to some of the points usually urged in favor of a tax on expenditures. It may be possible to so frame the income tax as to produce certain results similar to those which would follow taxation of expenses.

## The Newsprint Inquiry

Paper Manufacturers Produce Figures Showing Greatly Increased Costs.

STATES.

The inquiry being conducted into the cost of production and selling price of newsprint paper in this country by Mr. R. A. Pringle, recently appointed by the Federal Government for this purpose, has produced a mass of interesting figures that must surely lead to some definite conclusion before long. The investigation was brought about by the insistent demand of Canadian publishers in face of advancing prices of newsprint. Commissioner Pringle, sometime ago, partially granted the publishers' demands by compelling the paper mills to sell their paper in Canada at 2½ cents, a pound in rolls, f.o.b., the mill. Since March 1st last this price has been in force. The investigation has been continued in an effort to justify this action, and if possible to obtain a still lower price for the publishing trade. A similar investigation has been going on in the United States, and while the American government has no jurisdiction over Canadian paper concerns, the American market absorbs over 80 per cent of the Canadian production of newsprint, and the investigation there has been of vital interest. In fact, much of the data obtained by Commissioner Pringle and by the United States Federal Trade Commission are of mutual interest and value.

A resume of the findings of the Federal Trade Commission was recently published, and given publicity here through the Canadian Press Association. This commission investigated the cost of production in Canadian mills for the first half of 1916, and of United States mills for the entire year.

### COST OF PRODUCING NEWSPRINT.

The report shows that the average cost of newsprint paper during the first six months of 1916 in ten Canadian mills, producing about 75 per cent of the total Canadian production, was \$27.43 per ton. The cost in one mill is given as \$25.68 per ton. There is no report as to the increase in cost during the second half of 1916, but it is stated that returns for that period from the principal mills of the United States show an average increase of \$1.50 per ton over the cost for the first half of 1916. If the increase in cost during the second half of 1916 was the same in Canadian mills as in the mills of the United States, the average cost in Canadian mills during that period, according to the Federal Trade Commission's figures, was \$28.93 a ton. The prices asked by the Canadian

manufacturers commencing January 1, 1917, were \$60 a ton for roll news, and around \$75 a ton for sheet news.

### SULPHITE AND GROUNDWOOD.

The average cost of sulphite in eight Canadian mills during the first six months of 1916 is given as \$24.85 per ton. It is stated that returns from sixteen mills in the United States for the second half of 1916 as compared with the figures for the first six months of that year, showed an average increase in cost of ground wood of \$1.06 per ton as compared with the figures for the first six months of that year. Many of the Canadian manufacturers in their returns to Commissioner Pringle put in ground wood at the arbitrary figure of \$25 per ton.

The Commission found that \$10.54 per ton was the average cost of ground wood during the first six months of 1916 in ten Canadian mills. Cost data secured from 35 mills in the United States, covering all of a portion of the second six months of 1916, showed an average increase in cost of ground wood of \$1.06 per ton as compared with the figures for the first six months of that year. Many of the Canadian manufacturers in their returns to Commissioner Pringle put in ground wood at the arbitrary figure of \$25 per ton.

The report states that the average profit during the first six months of 1916 of ten Canadian mills, producing about 75 per cent of the total Canadian production, was \$9.54 per ton, or 25½ per cent on the net sales. This was on a net selling price during that period of \$37.96 per ton.

### THE CANADIAN INQUIRY.

A week or so ago the publishers withdrew from participating in the inquiry because of Commissioner Pringle's refusal to allow their counsel to probe into the affairs of the Canadian Export Paper Company, a Montreal concern representing five paper manufacturing concerns solely in their export trade. The mills have objected strenuously to the price of 2½ cents set by the Commissioner, and have produced information to show that increased costs do not permit of newsprint being sold at that figure at the present time. The sittings held in Ottawa last week were for the purpose of enabling the Commissioner to determine the basis of cost of production of newsprint. Principal attention was given to groundwood and sulphite pulp, the two chief ingredients.

While some very high prices were obtained for these products in the American markets during the past year, the average selling prices as given at the inquiry show conservative profits. The cost of producing sulphite, according to Mr. E. H. Smith, treasurer of the Abitibi Power & Paper Company, was \$28.57 per ton in 1915, \$33.65 in 1916, and \$41.69 in 1917. According to Mr. A. H. Bowness, superintendent of the E. B. Eddy Co., paper mill, the cost was \$41.56 per ton in 1914, \$42.99 in 1915, \$43.33 in 1916, and \$52.57 this year. Mr. R. W. Loathwood, of the St. Maurice Paper Co., stated the present cost at \$44.01 per ton.

As to cost of producing groundwood pulp Mr. Loathwood gave the following figures: \$16.58 in 1914, \$16.80 in 1915, \$15.73 in 1916, and \$17.51 in 1917. According to Mr. P. B. Wilson, of the Spanish River Pulp and Paper Mills, the cost of groundwood at their mills was \$17.75 per ton in 1914, \$16.71 in 1915, \$15.81 in 1916, and \$18.40 in 1917. Last year a surplus of 5,600 tons had been sold in the American market at \$22.37.

The cost data presented by different mills necessarily shows variation due to such conditions as cost of power, distance from wood supply, labor conditions and a dozen and one other important factors, so that in endeavoring to determine an average and equitable cost for Canadian mills the Commissioner appears to have tackled an impossible job. Ex-

cepting a few cases the mills have not secured abnormally high prices for their product in the American market, evidence being produced to show the average price received by one mill for newsprint during March and April last was \$54 and \$55 a ton, while the cost to-day was \$50.51 per ton.

**PRICES RECEDING.**

The mills also produced data showing that prices were falling under the normal influences of increasing supply. Admitting that very high prices were obtained last year on a few individual contracts for immediate deliveries, the mills showed that these conditions had largely been overcome. Newsprint production in Canada had increased some 700 tons per day during the past year, and the production of groundwood and sulphite pulp had also been greatly increased. In addition, costs were increasing steadily. Wages, raw materials, machinery, supplies, and practically all products entering into the manufacture of paper are advancing steadily in price, so much so in fact, that one witness gave as his opinion that the cost of producing newsprint would be \$70.20 per ton in December.

The Commissioner recently appointed an accountant to go over the books of the leading paper concerns, and further bearings are suspended till this report is received. In the meantime, the mills are forced to sell paper in Canada below cost.

**CONSUMPTION OF WHEAT, BEEF AND BACON TO BE REDUCED.**

Hon. W. J. Hanna, food controller, issued the following statement on Wednesday, July 11:

The consumption of wheat, beef and bacon in the Dominion must be reduced by at least one-third to meet the needs of the Allied armies and people. Every man, woman and child in Canada is under a direct war obligation to assist in that reduction. The consumption of flour in England and France is being reduced to between three and four pounds per person per week. Canada and the United States must reduce their normal consumption of wheat by 160 million bushels this year to meet the added requirements for export. Russia has been enduring four meatless days a week. Households in England are under voluntary obligation to limit their consumption of meat to two and a half pounds per person per week.

The Allies look to Canada to relieve their food shortage. Both the producer and the consumer must assist to give that relief, the producer by producing and conserving to the utmost of his capacity, and the consumer by substituting perishable, and conserving storable foods for export. By such joint action the soldiers of Canada, the Empire and the Allies will be strengthened in the struggle for victory.

Economy in the use of foodstuffs, particularly of wheat, bacon and beef, is imperative. Waste in the hotels, restaurants, clubs and homes of the Dominion is a crime.

The committee on the control of food consumption, consisting of Mr. Justice Rose, chairman; Miss Mary U. Watson, Mr. George Wright, and Mr. W. A. Cooper, has been in session for two days. Within a very short time it will have proposals to submit for the consideration of various classes of consumers. Meetings will then be held at various centres to discuss the proposals with the various elements and interested affected.

(Signed) W. J. HANNA,  
Food Controller.

**The Wool Situation**  
**Adequate Supply in Sight for Canadian Mills**

By E. S. BATES.

In spite of the acute shortage in the world's supply of wool staple and the extreme measures taken by the British authorities to insure an adequate supply for military requirements, the British Government has granted permission for the export of 5,000,000 scoured wool from Australia to Canada. This amount, it is estimated, will guarantee an adequate stock for Canadian requirements for the balance of the year. The British Government controls the entire Australian and British wool production. Similar permits have been extended to France and the United States. Permission has been given for the export of 16,000,000 pounds of scoured wool to the latter country from Australia.

These shipments will be distributed by the Department of Trade and Commerce through the Canadian Wool Commission. It is announced that the first shipment has been made, and deliveries will continue regularly as ocean freight space is available.

**DOMESTIC WOOL SITUATION.**

The market for domestic wools is very active. The Eastern clip is now practically all on the market. The prices ruling have been the highest ever recorded in this country. The quantity produced by the Co-operative Wool Growers' Association shows a large increase over previous years, and as these wools are well prepared, clean, and of good quality, this feature is most satisfactory. The co-operative wools were sold at central depots after being graded.

The average price received at the Quebec sales was 54 cents per pound. Medium combing brought 56½c; low medium combing 55½c; coarse combing 53½c, and blacks and rejects 43c. Over 200,000 pounds were offered.

The Guelph sales of Ontario wools held two weeks ago brought still higher prices. Nearly 300,000 pounds were offered, of which approximately 85,000 lbs. was medium combing, 65,000 lbs., low medium combing, and 95,000 lbs. coarse. The prices realized were as follows:

Grade:	Price
Fine Medium Combing . . . . .	67c
Fine Medium Clothing . . . . .	67c
Medium Combing . . . . .	66c
Low Medium Combing . . . . .	63c
Coarse . . . . .	57c
Lustre . . . . .	57c
Rejects . . . . .	50c
Gray and Black . . . . .	46c
Locks and Pieces . . . . .	34c
Tags . . . . .	26c

The shrinkage test on these wools showed 48 per cent on fine medium combing, 40 per cent on fine medium clothing, 45½ per cent on medium combing,

40 per cent on low medium combing, 38 per cent on coarse and 37 per cent on lustre wools.

Prices ruling in the open market for purchases by mills and dealers from the depots are quoted on the following basis: Unwashed, fine, 60c to 61c; washed, fine, 65c to 66c; coarse, 60c to 61c; washed, coarse, 71c to 72c.

The Western clip is now coming on the market. A few sample shipments of Alberta wools are now on view in Toronto, where sales will be held early in August. It is expected that several hundred thousand pounds of range wool produced by members of the co-operative wool associations will be sold at that time. In Manitoba arrangements are being made for the collection, grading and sale of the wool produced in that province at a central depot in Winnipeg. In addition, buyers are now in the West purchasing what clips are offering outside these sources.

Although the home mills have tendered regularly at the sales already held, the competition of American dealers and consequent high prices offered has practically excluded them from securing the clips. The prices paid at the Ontario and Quebec sales are totally out of line with those ruling in the English markets. The wools are admirably suited for combing purposes and as the United States mills are shut off from their normal supplies of these wools from England and New Zealand, they are eager purchasers of the Canadian product. The result is that the prices paid for Eastern domestic wools during the past month have been 10 cents and over above prices ruling on the English markets at which Canadian mills can purchase English and Australasian wools and land them here. Of course, the difficulty in securing shipment of foreign wools has had a big influence on the market here.

It is entirely wrong that Canada should permit the export of domestic wools at this time, while England is making every effort to conserve a supply for herself and the Allied cause. Foreign wools must be imported to take the place of the domestic wool being exported, and such a situation cannot be in the best interests of the Empire. The Australian and New Zealand wool production was taken over by the Governments on an entirely satisfactory basis to the producers, but the prices paid were not to be compared with those now ruling for the Canadian clip, set by competition of American mills. The Canadian mills long ago expressed their readiness to co-operate with the Federal authorities in taking over the domestic production on a reasonable price basis. The suggestion brought a great howl from the farmers, with the above result.

**COAL EXPERT APPOINTED.**

**To Assist in Securing Adequate Supply of American Coal.**

The necessity for Canadian coal consumers to make all possible effort to lay in their fuel supply at the earliest possible moment is emphasized by Mr. C. A. Magrath, Fuel Controller, in a statement issued last week. He also urged the strictest economy in the use of coal, and the substitution of wood and coke wherever possible.

The services of Mr. H. P. McCue, of Pittsburg, have been secured to facilitate the filling of contracts and the prompt forwarding of shipments to Canada. Mr. McCue, who is one of the foremost authorities on coal and transportation in the United States, is opening an office in Pittsburg, and the intention is that he shall keep in touch with the coal production committee at Washington and generally supervise and expedite all coal exports to Canada.

Mr. Magrath reports that the authorities at Washington have undertaken to give him every possible support in his task. Central Canada is one of the most important markets for the coal fields of the United States, especially those south of the Great Lakes. The coal operators there will wish to retain the Canadian market after the war, and this factor will doubtless cause them to look after their Canadian customers almost as effectively as they have in the past. Mr. Magrath points out that the coal situation in the United States is just about as critical as it is in Canada. The speeding up of industry there is taxing the coal mines, as well as the transportation facilities, to the very utmost.

The greatest concern of the Fuel Controller at the present time is to get water-borne coal distributed in Canada. At the present moment, deliveries are distinctly below those for former years, and unless these can be built up, it is going to throw a very heavy load on the railways later on. Mr. Magrath also announced that he has arranged with Sir Henry Drayton, Chief Railway Commissioner, to undertake to control the coal transportation problem. Through team work of this sort, he anticipates that Canada's fuel difficulties will be successfully solved.

## Mentioned in Despatches

**BRIG-GEN. ARCHIBALD C. MACDONELL** will, it is said, be chosen to succeed Gen. Sir Arthur Currie as Commander of the First Division of the Canadian Corps in France. Gen. Macdonell is a graduate of the Royal Military College, and served with the Canadian Mounted Rifles through the South African War, where he was awarded the D.S.O., and the Queen's Medal with four clasps. In the present fight he has been in command of a brigade on the West front, being in the thick of the fighting for many months. He is a cousin of A. C. Macdonell, M.P., for South Toronto.

**MEN OF LETTERS.**—A surprisingly large number of men of letters are included in the British Cabinet. Among the writers of distinction Arthur Balfour easily comes first. However, the Hon. Mr. Frothingham is also a well known writer, while both Lord Curzon and Lord Milner hold prominent places in the world of letters. In addition, Dr. H. A. L. Fisher, President of the Board of Education, and Dr. Addison, Minister of Munitions, are well known to their special clientele, the former appealing to the student, while Dr. Addison's writings are mostly of a technical nature.

**LIEUT. HUGH ALLAN.**—The war has come home with terrible effect on Sir Montagu Allan, the well known Montreal shipping and business man. Last week his only son, Lieut. Hugh Allan, was killed in France while engaged in flying. When the Lusitania was torpedoed over a year ago, two of Sir Montagu Allan's daughters were drowned, while Lady Allan was seriously injured. Sir Montagu is well known to Montrealers as president of the Merchants' Bank of Canada, and for years as head of the Allan Line of steamships. He is also connected with many other financial and industrial institutions, and has confined his chief activities to those two.

**SIR DOUGLAS GAMBLE,** just promoted to the rank of admiral in the British Navy, is one of those restless Britons who must see service. Gamble was for several years naval adviser to the Sultan of Turkey, a position he held until war broke out between Italy and Turkey some few years ago. As a result of the efficient work he did for the Turkish Navy it was able to render effective aid in the two Balkan Wars. Later Sir Douglas took up aerial work, and still later became naval attaché of the British Embassy in Paris. He is regarded as one of the best men in the intelligence department of the Admiralty, and his promotion to full admiral is a fitting reward of the effective work he has done since the war commenced.

**PREMIER BOTHA.**—When the history of the war comes to be written, one of the most interesting chapters will be that one relating to South Africa and the part played by Premier Botha, Gen. Smuts, and others, who fought the British fifteen years ago. Premier Botha not only personally conducted the campaign against the Germans in Southwest Africa, and conquered that territory for Great Britain, but also put down a rebellion among the Boers. The task of conquering East Africa was assigned to Gen. Smuts, as Botha was required at home to direct the government of the country. However, the Premier's eldest son is not leaving his father to do all the fighting. Louis Botha, D.S.O., eldest son of the Premier, has just gone to England to serve with a British regiment on the western front.

**JOSE NESTOR GUTIERREZ.**—The Argentine Republic is about to break off diplomatic relations with Germany. This will make the third South American republic, the other two being Brazil and Bolivia. Bolivia was the first Latin republic to follow the lead of the United States, and her action was due very largely to her president, Jose Nestor Gutierrez. Gutierrez is of English ancestry and was educated in London and Manchester, later returning to his native country and going into business. He is probably the best known political economist and banker in South America, and his works on "Banking Questions," and "Banking Reform" are standards. The new president of Bolivia only entered political life after the outbreak of war, but since then his rise has been rapid. Undoubtedly his pro-English tendencies have had much to do with the entry of his country into the Allied ranks.

**GEN. KORNILOFF,** who has personal charge of the latest Russian drive towards Lemberg, is on familiar ground. Two years ago, while in command of a Russian division he was captured by the Austro-Germans, but managed to escape from his prison camp and make his way into Roumania. His previous fighting and his stay as a prisoner were largely in the neighborhood where he is now fighting. After he returned to Russia he was made commander of the garrison at Petrograd, but resigned that during the political crisis of a few months ago. At that time he frequently warned the Russian Government of the danger that would come to the country from fraternizing with the Germans. A short time ago Korniloff was appointed to the command of the Army in Galicia and, acting under Brusiloff's direction, he is making things hum.

**R. J. FLEMING.**—Toronto has a street car strike on its hands, and attention is therefore naturally centered upon R. J. Fleming, general manager of the company. Fleming is probably the best known man in the Queen City. Once he was known to fame as the "People's Bob," but that was when he was mayor of the city. Now he is known as the "Genial Despot." Fleming was born in the City of Toronto, and as a young lad sold coal and wood to the residents of the Don Flats, where he used to play as a barefoot boy. He then entered the council, was three times mayor of the city, head of the assessment department and then general manager of the Toronto Railway Company. Fleming is a master hand at the art of jollying, and for years maintained a hold on the people of Toronto by his glad hand tactics. His hobby in life is farming and the raising of thoroughbred cattle, but the annual ploughing on his farm is an event of almost national

**TISZA,** the Premier of Hungary, who was in many respects directly responsible for the outbreak of the present war. Away back some three months before hostilities commenced in July, 1914, Tisza issued a warning to Russia that she must keep out of the Balkans or she would meet with trouble from Austria-Hungary and Germany. Later on the very drastic note sent to Serbia was generally regarded as the work of Tisza. He is a Magyar, and as the Magyars are not overly friendly with the Germans there has been considerable friction all along between Austrian and Hungarian sections of the dual empire, and also between Hungary and Germany. He has long been regarded as the strong man of Austria-Hungary, and many believe that his retirement from the premiership of Hungary may lead to a movement on the part of his country for a separate peace, as he and his Hungarian compatriots have complained all along that they were bearing the brunt of the fighting, while Germany received all the credit.

**SIR WILLIAM MEYER.**—The changes brought about by the war are far reaching and embrace not only the military but the economic and political aspects of the empire. A short time ago India was permitted to put a duty on cotton imports in an effort to enable her to pay for the outlays made necessary by the war. Recently Sir William Meyer, the Indian Finance Minister, made an important announcement regarding Indian trade and industry. India is just beginning to get on her feet in the matter of world trade and in manufacturing, and it is doubly interesting, therefore, to watch her gropings after economic freedom. Sir William Meyer has long been in the Indian Civil Service, and for the last four years has been a member of the council of the Governor-General of India. As a matter of fact his connection with Indian affairs has been continuous from 1886, so that by education, training and experience he is eminently qualified to speak on behalf of that great country. Sir William Meyer has written many books on Indian affairs, was the editor of the Imperial (Indian) Gazetteer, and has been a member of the committee of the Indian Army, and in a half score other ways has been associated with the financial, economic, military, and civil government of the country. He was born in England in 1860 and educated at University College.

**CAPT. PERCIVAL MOLSON, M.C.,** who was killed in action a few days ago, was one of the most prominent of the younger group of financiers in the city. Molson belonged to a family well known in shipping, finance, and industry, but he did not depend on family traditions for his own progress in the world. After a brilliant course at McGill he entered the offices of the National Trust Company as a junior clerk, working his way up to the managership of the Montreal branch. He was also connected with a number of other corporations being everywhere regarded as an exemplary, fair and wide awake business man. At McGill he was prominent in athletics, and brought many honors to his Alma Mater. A brother, Capt. Herbert, is now at the front.

**GEN. THE HON. JOHN SEELY.**—Much sympathy goes out to Gen. the Hon. John Seely, who has just lost his eldest son, a twenty year old boy. The pathetic part of it was that the son, who was an officer in the carabinieri, was killed while executing orders issued by his father and met his death under his father's eyes. It will be remembered that Gen. Seely was Minister of War previous to the outbreak of hostilities, but was forced to resign his position in the spring of 1914, owing to the acute crisis which had arisen in Ireland over the Home Rule question. Seely had issued orders to the commanding officer of the troops in Ireland without the knowledge of the Cabinet as a whole, and as a result almost caused civil war and brought the British Army to the verge of mutiny. In this respect Seely was not a success as a minister of war, but as a soldier he has an enviable record. In the Boer War he won the Distinguished Service Order for conspicuous bravery, and another time was court-martialled for disobeying orders, but was let off because of what the Court-Martial deemed his "indiscreet bravery." Several years ago the French Government conferred upon him the Cross of the Legion of Honor, and its Gold Life Saving Medal for swimming out with a life line through a terrible storm to a French ship which had struck on the rocks. As a result of Seely's brave act all the lives on board the ship were saved. When the war commenced Seely did not ask for a staff post or a position of high rank, but joined the Army as a junior officer and has done such excellent work that he has been steadily promoted until to-day he is a general in command of a division.

**MR. R. S. WHITE,** was presented with \$21,000 on Wednesday last. Importers, manufacturers, merchants and representatives of railway and steamship companies in Montreal assembled in the Exchange Hall of the Board of Trade for the presentation to Mr. R. S. White of \$21,000, and a beautifully engrossed, decorated and framed address, in appreciation of his services as the Collector of Customs of the Port of Montreal for twenty-one years. The idea of those who made this handsome acknowledgment of their appreciation of Mr. White's administration had been to collect from Montrealers \$1,000 for each year of service which Mr. White had given in that position. This was accomplished and more was added by firms who for one reason or another had not had a previous opportunity to subscribe. While expressing his thanks for this generous and almost unprecedented manner of recognizing his services, Mr. White took occasion to point out three reforms in the Customs which it would be well to have inaugurated just now for the benefit of Canadian trade. The first of these was to alter or dispense with the oath which is now only a method of enforcing perjury on importers and is otherwise useless. The second was the making of the Board of Customs separate and distinct from, and absolutely independent of department officials. The third practical suggestion was to assess the value for duty on the fair market value of goods at the time of purchase. Mr. White also gave a resume of Customs development during his 21 years of service.

Two of the principal offices in connection with the organization of the American Foreign Banking Corporation in New York, have been secured by men who received their training in financial institutions of the Dominion. The new enterprise was launched for the purpose of promoting international banking. Mr. Archibald Kains, a former manager of the Canadian Bank of Commerce in San Francisco and later a Governor of the Federal Reserve Bank at San Francisco, has been made president of the Corporation. A vice-presidency was tendered to Mr. T. Fred Aspdon of the Canadian Bank of Commerce who has



## Public Opinion

### GOOD ROADS ARE VITAL.

(Fredericton Gleaner).

Every mile of new roads enables the farmer to extend his operations and to make greater profits. A certain amount of road-building should therefore come before farm work itself. The prices of materials have risen and the labor situation presents difficult problems, but instead of the construction of good roads being suspended, it should be pursued consistently throughout the period of adjustment to war conditions.

### SUNFLOWERS USEFUL.

(Buffalo Commercial).

Russia averages in normal times a yearly export of nearly 150,000 tons of linseed, 30,000 tons of rapeseed, and 30,000 tons of hemp, poppy, sunflower, and other seeds. The oil obtained from sunflower seeds is suitable for margarine manufacture, and the cake is a good food for live stock. The unrefined oil would compete with nut oil and cotton oil, and the refined product would make a good substitute for olive oil. Sunflower seed is largely produced and crushed for its oil in Russia.

### THE WELDING POWER.

(Southern Lumberman).

In the United States of late years there has been a rapid decline in the number of foreign language newspapers. These papers flourished at the time of our greatest immigration of foreign-speaking peoples, but they diminished in number when the second and third generations began to replace the first. Even where both parents were of the same Old World stock, the children became Americans because they spoke the English language. This is a fact well known to Americans, but probably not entirely realized in Europe, if what we have heard of plots and plans is true.

### THE BOY FROM HOME.

(Schenectady Union-Star).

A navy officer, commenting on the rigid censorship that covers all correspondence to and from the Navy remarked, truthfully: "I wish we could censor the 'sob stuff.' A boy gets a letter from home filled with 'our dear empty chair is at the table,' or 'Mother cries herself to sleep every night, wishing for her boy,' and the result is a homesick sailor made doubly so. Cut out the sob stuff. Write the boys cheerful letters, and stop feeling sorry for them." All of which is sound sense. The average boy away from home is full of home longing. Letters that are filled with what the officer termed "sob stuff" only add to the disease. Don't sympathize with the boys. Congratulate them.

### WOOL SHORTAGE.

(From the American Sheep Breeder).

To slaughter for meat at this time a breeding ewe or ewe lamb is high treason, and we believe our great interests are sufficiently patriotic and unselfish to devise some measure to save our precious breeding stock. If this isn't done, Lord save our sheep industry!

Millions of western ewes and ewe lambs were lost by storm and insufficient feed. Our wool clip this year will fall short many millions of pounds. The western lamb crop is the lowest in years. In some states it will run not over 40 per cent; in some sections not over from 10 to 15 per cent were saved. Something heroic must be done — something besides talk and prayer are needed to save the wool industry of the United States.

### A RUSSIAN OFFICER'S PATRIOTISM.

(The Wall Street Journal).

Some months ago a New York business man was entertaining at lunch a Russian military officer who was here in connection with equipment purchases. The American was no slacker when it came to doing his bit in selecting from the back of the menu card, while the Russian too, had been accustomed to appetizers before meals, and good wines to accompany the food should he so desire. As soon as seated at table the American suggested a cocktail, to which the Russian replied with dignified earnestness: "My government has forbidden the use of liquor in Russia during the war and I cannot allow myself an indulgence here which my associates at home are not allowed to have."

### THE DOMINATING INFLUENCE.

(Southern Lumberman).

We have forgotten who said it, but we are sure it is not far wrong. "The nation that impresses its language upon the world is the one that ultimately is destined to exert the dominating influence."

### COLLECTING SHIP NEWS.

(The Wall Street Journal).

In peace times, Lloyd's Association, with its agents and signal stations in every part of the world, is the chief distributor of news of ship movements, but various exchanges and private concerns collect their own news. When there is no military purpose to serve, port authorities freely impart news of arrivals and departures of vessels.

To ship chandlers and some merchants this news is vital, but with the United States' declaration of war, ship news was practically suppressed. To supply the necessary information, huts and bungalows along the coast have been turned into private observatories, and as soon as a ship is sighted, it is reported to the head offices and it can be met on arrival.

### CANADA AND THE UNITED STATES.

(Chicago Record-Herald).

The closer organization of the British Empire has removed for all time, so far as we can see, even from academic discussion, the question of annexation. Canada is and will be not a colony but a free nation. And, moreover, she is our ally. Frictional feeling is gone; mutual confidence is engendered. We must seize the opportunity to unite our feelings more closely. In all Pan-American Congresses we must see that Canada is recognized. Our educational institutions must study Canada as they study Latin America. We must cultivate personal international friendship with her. For Canada and we have common problems, of immigration, of water and railroad transportation, of labor and capital, of the same nature. We shall solve them with far more success if we approach them in a spirit of cooperation.

### RED TAPE.

(The Wall Street Journal).

Red Tape is synonymous with technicalities which hinder completion of governmental contracts or action. We read of important matters held up while official Washington hemmed and hawed because papers had to be revised by this man or that department, each jealous of the other; all to the detriment and delay of the matter on hand.

That a thing can be done without preliminaries is proved by an incident in the Civil War. An old engineer was told one day a bridge must be built over a certain stream. "The major will furnish you plans in the morning," said his superior.

The next day he was called before the commandant, who asked: "Have you received the plans for that bridge?"

"The bridge is done, sir; I don't know if the picture is finished or not," was the reply.

### COHENOPOLIS.

(Chicago Tribune).

In New York's new city directory the Cohens have forty-nine and one-half columns and the Smiths only forty-six and one-half. Sic transit gloria. Rapid transit at that. Barely ten years ago one might have overheard, "Come on, Ike! Let's go up in the Christian quarter," but to-day there is hardly a Christian sixteenth. New York has a million Jews. They own Manhattan. They control the real estate business, the clothing business, the theatrical business. They are fast winning places in the fire department and on "the force."

Happily, the Jews are doing much to perpetuate Gentile names. We suspect that perhaps three columns of Smiths were anciently Cohens, and when east side Jews weary of being Diamondsteins, Pinkussohns, Rosenblums, and Silvermans they adopt the names of the streets where they live. As these were christened for the old Dutch settlers of Manhattan, the results are indeed wonderful. Among Jews occupying high seats in the synagogue behold Messrs. Van Rensselaer and Schuyler!

Well, why not? It will bother the genealogists, of course. They will be hard put to it, by and by, to tell whether this or that nabob is descended from a Dutch oven or a pushcart. But who cares? If the most of us could meet our remote ancestors we should yell for the police.

### ANOTHER FALLACY SHATTERED.

(June Atlantic).

Contact with young people is supposed to be rejuvenating! Indeed, this contact is the only good thing many see in that absorbing and in every other way desirable profession of teaching. Was ever so false an idea? How could so obvious a fallacy get the popular ear? Think how little aware of passing years we should be, were it not for the young! Their very presence proclaims our greater years. They themselves seem to have conspired together to help us to a suitable awareness. Every possible aid is offered, and offered in the kindest spirit of courtesy. One is helped into wraps, relieved of carrying loads or opening doors, guided up and down steps, deposited in easy chairs, and generally treated as fragile. It is all delightful; but the force of suggestion as exerted by so many vigorous young minds will sooner or later have its effect. We may resist for a time; ultimately, however, we shall take ourselves at the rating of the community in which we live. I have seen my friends capitulate one by one, accept the verdict of the majority, and settle down into the accepted properties of middle-age.

### IMPERIAL PREFERENCE.

(London, G. R. Economist).

Canadian comment on the inopportune and ill-advised raising of this controversial problem is much to the point. The subjoined extracts are from an article, entitled, "Untimely Preferential Questions," in the Montreal Journal of Commerce, of May 1st, dealing with the answers to questions on the subject given by Mr. Bonar Law in the House of Commons on April 27th, and summarized in the Economist of May 5th:—

"The first thought that must come from the reading of these references to the question is: If no present action is contemplated, if nothing is to be done, during the war, if the great Commonwealth of Australia has had no voice in the matter, if it is necessary to have 'due regard for the interests of our Allies,' why should any resolutions be passed now, why should any announcement be made, necessarily of a vague and inconclusive character?"

Essentially important is the last sentence of Mr. Bonar Law's statement that the policy to be adopted 'does not involve taxation of food.' That is equivalent to saying: 'We intend to have a policy of preference, but we shall have no preferential tariff on the few things of importance that Canada has to send to England.' A preferential tariff on foodstuffs, either in the form of lower duties on Colonial than on the foreign articles, or of full exemption while the foreign article is taxed, has been the very root of the preferential tariff question as viewed in Canada. To talk of giving Canada a preference in Great Britain on manufactured goods would be arrant nonsense. . .

"Tariffs, it is true, may not be the only form of preference. There is a sentimental preference that may be of much value. . . . But the preferential question, so much discussed for many years, has been a question of Customs tariffs. Therefore the abandonment of preferential tariffs as respects the chief articles of Canada's exports is a virtual abandonment of the whole project so far as it relates to this Dominion.

"That there have been great difficulties in Great Britain in the way of the establishing of a preferential tariff that would include the chief articles of Canadian export, most of the Canadian people have fully recognized. They would willingly have the benefit of such tariff preference if it could be cheerfully granted by the mother country, but they have never manifested a desire to unduly press such a policy on the Government or people of Great Britain. They have no such desire now. If anybody is asking the Imperial Conference or the Imperial Government to adopt a preferential policy on the ground that it is demanded by the people of the Overseas Dominions he is speaking without any authority so far as the people of Canada are concerned. Canadians who give most careful thought to the question will, we believe, regret that this very difficult and very contentious subject has been introduced into Imperial politics at a time when all such matters of controversy should be laid aside."

These statements, made by a prominent Canadian paper, are a happy endorsement of the view that we expressed in the Economist of February 24, 1917, in commenting on Lord Balfour's Committee's premature and contradictory resolutions; we then observed that "the magnificent response made by the Empire, in men and money, to the appeals of the cause of progress and liberty shows that the unity of the Empire is already more than secure, and needs no fiscal glue to make it stick."

# AMONG THE COMPANIES

## BANK OF HAMILTON.

The Bank of Hamilton has opened a branch at Port Colborne, Ontario, under the management of Mr. H. V. Grout.

## COBALT 1917 DISEURSEMENTS.

Dividends paid by Cobalt companies during the first six months of 1917 amount to approximately \$2,923,624. Nipissing and Mining Corporation each with \$900,000 were the leaders. The dividends paid to date by Cobalt companies aggregate \$70,242,500.50.

## CANADIAN LOCOMOTIVE CO.

J. J. Harty, Vice-President of the Canadian Locomotive Co., Kingston, states that the company has closed an order for six switching engines for the Toronto, Hamilton and Buffalo Railway, weighing about 166,000 pounds. Mr. Harty states that the company is running to capacity, and has orders on hand that will keep the plant busy until March, 1918.

## NEW PRESIDENT FOR GREENSHIELDS, LIMITED.

At the semi-annual meeting of shareholders of Greenshields, Limited, held on Wednesday, Mr. Graham Drinkwater was elected to fill the vacancy on the board of directors, caused by the death of Mr. E. B. Greenshields.

At a subsequent meeting of the directors, Mr. E. C. B. Fetherstonhaugh, who had been acting president, was appointed president, and Mr. J. H. Armstrong secretary-treasurer.

## QUEBEC R., L., H., & P. CO.

The Quebec Railway, Light, Heat and Power Company has had its exchequer helped out to the extent of \$275,000. Through a decision made by Judge Audette, of the Exchequer Court, the Dominion Government pays over to the Quebec Railway, Light, Heat and Power Company the sum of \$275,000 for property belonging to the Quebec Gas Company, which was expropriated by the Federal authorities.

The Government offered the Quebec Railway Co. some time ago the sum of \$125,000, or at the rate of \$2 a foot, for the land. The court, however, gave the Quebec Railway \$5 a foot, or the sum of \$275,000. To this is added a sum of \$30,000 already decided upon by mutual agreement, making a total sum of \$305,000 in all. The Crown pays the costs of the Court proceedings.

## ILLINOIS TRACTION CO.

Illinois Traction Company's report for the fiscal year ended December 31st, 1916, shows gross earnings of \$12,566,000, as against \$11,187,000 for the previous year. After operating expenses and taxes are deducted the net earnings were \$7,489,000, an increase of \$832,000.

Receipts and expenditure for 1915 and 1916 compare as follows:—

	1916.	1915.
Interurban lines .. .	\$3,993,836.09	\$3,559,028.03
City lines .. .	3,110,811.18	2,871,035.35
Gas .. .	923,642.11	905,702.79
Electric .. .	3,689,851.58	3,325,410.62
Heat .. .	341,379.58	317,579.84
Water .. .	14,476.25	14,215.86
Miscellaneous .. .	492,450.38	195,022.21
Total gross earn. ....	12,566,447.17	11,187,994.70
Oper. exp. and taxes ..	7,489,797.34	6,657,569.14
Net from Oper. .. .	5,076,649.83	4,530,425.56
Int. on bonds .. .	3,603,417.34	3,268,607.01
Avail for Depr. div., etc	1,473,232.49	1,261,818.55

The balance sheet shows total assets of \$25,394,602. Of this total stocks of subsidiary companies account for \$21,514,547, while advances to these companies are \$3,020,142.



MR. ALFRED W. SMITHERS.  
Chairman Board of Directors, Grand Trunk Railway Company.

## PORCUPINE DIVIDENDS.

Dividends paid by Porcupine companies during the first half of the current year aggregate \$1,519,000, divided as follows: Hollinger, \$738,000; Dome, \$300,000; McIntyre, \$361,029.80; and Porcupine Crown, \$120,000. Total paid to date by Porcupine companies amounts to approximately \$10,687,000.

## ROAD EARNINGS.

The gross earnings of Canada's three principal railways for the first week in July aggregated \$5,300,303, an increase over those for the corresponding week in 1916 of \$644,174, or 13.8 per cent. This compares with an increase of 17.1 during the first week in June, 9.4 in May, and 10.8 in April. The first week in February held the low record for 1917 of 2.1 per cent. increase, while the first week in June scored the greatest gain to date.

	1917.	Increase.	P.C.
C. P. R. ....	\$3,101,000	\$485,000	18.5
G. T. R. ....	1,297,003	141,974	9.1
C. N. R. ....	902,300	17,200	1.9
Total .. .	\$5,300,303	\$644,174	13.8

## CANADIAN CAR & FOUNDRY CO.

Application has been made to the Montreal Stock Exchange for the listing of an additional \$750,000 common shares of Canadian Car and Foundry Co., Limited. It is understood that these shares were issued in lieu of cash payment of commissions in connection with the Russian shell contract of the company.

The question of dividend payments on the preferred stock has been complicated by the \$12,500,000 order recently taken for the Canadian Government Railways, as well as by the export business which the company has on its books. The export business in particular ties up a lot of working capital as delays in shipment, etc., have to be reckoned with. With \$35,000,000 worth of orders on the books, the company will require a good deal of banking assistance for some time to come.

In those circumstances many doubt whether any of the Russian profits can be diverted to paying dividend arrears, until some of the present orders are completed. The 10½ per cent payment that was being looked for this month has become more than doubtful, to say the least. Against that it is now held that if payment on arrears must be further deferred while profits from the Russian business are employed in financing current business, the resumption of regular dividends can be looked for before the end of the year.

## U. S. STEEL CORPORATION.

The directors of the United States Steel Corporation meet on the last Tuesday of the current month to act on dividends and pass on the report for the second quarter of the year. The statement for the first quarter of the current year showed earnings of \$113,121,018 and estimates for the current quarter have ranged around \$130,000,000. In the first quarter the \$113,121,018 earnings were after all tax deductions. If United States Steel anticipates the excess profit tax in the current quarter, it is figured that net earnings will run around \$100,000,000, or at the rate of \$400,000,000 annually. Annual interest, depreciation, and preferred dividend charges amount to about \$86,000,000 annually, so that there would remain a surplus at the rate of \$315,000,000 annually on the common, equal to approximately \$62 a share on that issue.

## TOOKE BROS., LTD.

Tooke Brothers, Limited, have just closed the best year in their history, and General Manager W. A. Brophey is receiving a lot of well deserved congratulations on the very excellent showing he has made. Profits for the year ended May 31st amount to \$111,954, as compared with \$109,400 in 1909-10, the best year to date, and with \$26,306 in 1914-15.

After deducting \$14,000 for depreciation, bad debts, reserve and directors' fees, there was a net balance of \$97,954, equal to just a shade less than 10 per cent. earned on the \$985,000 preferred stock.

In view of this showing, combined with the marked improvement in the company's finances brought about by the good business of the past two years, the directors felt justified in paying the full 7 per cent. dividend on the preferred stock for the year, and 5½ per cent. on account of arrears. This necessitated the drawing down of \$22,707 from the profit and loss balance carried forward a year ago. In the two years, 1915-16 and 1916-17, the company earned a net surplus of \$177,689, or slightly more than 18 per cent. on the preferred, against dividends of \$137,809, or 14 per cent. declared for the period. There was therefore added to profit and loss for the two years, after all dividend declarations, the sum of \$39,791, this balance standing at \$111,309 on May 31st last, against \$71,518 two years ago.

The balance sheet shows a very satisfactory position, with current assets footing up \$1,070,159, more than double the current liabilities of \$471,622. The net working capital was therefore substantial at \$598,537. Despite the distribution of 12¼ per cent. in dividends, against only 1½ per cent. in 1915-16, there was very little change in this respect during the year, net working capital a year ago having been \$621,462.

A comparison of earnings for three years, given below, shows that the net available for dividends in the past year was \$18,219, or 23 per cent., higher than in 1915-16, and no less than \$81,648, or 500 per cent., higher than in 1915-14. Profit and loss figures for the three years follow:

	1917.	1916.	1915.
Net prof. ....	\$111,954	\$98,485	\$26,306
Res., etc .. .	14,000	18,750	10,000
Balance .. .	\$97,954	\$79,735	\$16,306
Pfd. div. .. .	*68,950	17,227	.....
Balance .. .	\$29,004	\$62,498	\$16,306
Prev. bal. ....	134,016	71,518	55,211
Total bal. ....	\$163,020	\$134,016	\$71,518
Div.-arrears .. .	*251,711	.....	.....
Net bal. ....	\$111,309	.....	.....

Receipts and expenditures for 1915 and 1916 compare as follows:—

## BIG LUMBER DEAL.

From Vancouver comes the report that approximately one billion feet of standing spruce and fir timber in limits covering about sixty-five square miles in the Alice Arm district have been acquired by the North Coast Spruce Mills, Limited, in a deal with the Granby Consolidated Mining, Smelting and Power Company.

# BANK OF MONTREAL

Established 100 Years (1817-1917)

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

## BOARD OF DIRECTORS:

<b>SIR VINCENT MEREDITH, BART.</b>	President.
<b>C. B. GORDON, ESQ.</b>	Vice-President.
R. B. Angus, Esq.	Lord Shaughnessy K.C.V.O.
A. Baumgarten, Esq.	H. R. Drummond, Esq.
Wm. McMaster, Esq.	Major Herbert Molson, M.C.
	H. W. Beauclerk, Esq.
	C. R. Hosmer, Esq.
	D. Forbes Angus, Esq.
	Harold Kennedy, Esq.
	G. B. Fraser, Esq.

## Head Office, MONTREAL

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

## BRANCHES AND AGENCIES

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

### CANADA'S INSURANCE BUSINESS IN 1916.

\$758,500,000 Was Distributed in 1916 by Insurance Companies in Canada and the United States.

According to figures computed by the Insurance Press, the sum of \$758,500,000 was distributed last year by life insurance companies and associations in Canada and the United States. The payment for death claims, matured endowment and other benefits amounted to \$476,000,000. Moreover, the aggregate amount paid by companies to policyholders, who lapsed or surrendered their policies, fell considerably below the 1915 record, indicating an improvement in general business conditions.

Nineteen sixteen was the greatest year in the history of life insurance in the United States as regards the amount of new business written. In Canada it was close to the biggest year the Dominion has known. The total new business in Canada was \$231,000,000. Already in 1917 the demand for life insurance is beyond all precedent. It is said that 87 per cent of all the estates left in the United States consist solely of life insurance. In life insurance there is no frontier for companies of both countries to cross the boundary freely for business.

When one considers that nearly \$25,000,000,000 of life insurance contracts were in force in the United States at the end of 1916, and \$1,400,000,000 in Canada, in level premium companies alone, the obligation imposed upon the managements of life insurance companies assume something like the dimensions of the obligations imposed upon nations by their war debts, with the difference that the rules under which life insurance obligations will progress to maturity, and be paid, are predetermined with mathematical accuracy.

The largest payment on a single life in 1916 was in the case of Thomas L. Shevlin, of Minneapolis, the amount being \$1,525,000.

The payments in the leading cities of Canada for 1916 were:

1. Montreal, Que.	\$2,650,000
2. Toronto, Ont.	1,350,000
3. Winnipeg, Man.	655,000
4. Vancouver, B.C.	480,000
5. Hamilton, Ont.	350,000
6. Ottawa, Ont.	275,000
7. St. John, N.B.	253,000
8. Quebec, Que.	234,000
9. Halifax, N.S.	181,000
10. Edmonton, Alta.	146,000
11. Westmount, Que.	125,000
12. Yarmouth, N.S.	120,000
13. Kingston, Ont.	110,000

The largest Canadian policy paid was \$117,000 on the life of R. M. Thomson, of Winnipeg. The next largest policies paid in Canada last year were those of William J. Carrique, of Montreal, for \$100,598,

and Robert Davies, of Toronto, for \$100,000. The next largest was for the sum of \$91,500 in favor of the estate of Bowman B. Law, M.P., of Yarmouth, Nova Scotia, who lost his life in the fire that destroyed the Parliament buildings at Ottawa a year ago.

Group insurance plans increased their popularity many notable transactions being recorded in large industrial plants. Monthly income insurance appealed to an increasing number of insureds, who preferred monthly incomes to lump benefits rather than lump sums. The mortality rate for last year was favorable. Interest earned on investments for 1916 was a little higher than in 1915.

The plan of the United States Government to cover the casualties of war in the army and navy, through a system of insurance—possibly as a complete substitute for the pension system—demonstrates how vital a place the insurance principle has in human affairs. Life insurance was practically undeveloped at the time of the Civil War; its employment as a means of indemnifying the dependents of war heroes was probably not even considered. Now it may come to pass that the insurance method will displace the pension method and that the United States will be the first nation in the world to make the change. Within a short time the Treasury Department will submit to Congress an insurance measure adapted to war service. In the preparation of the plan, whereby the Government itself will provide insurance for soldiers and sailors, loyal co-operation will be given to the Government by all life insurance companies.

It is estimated that \$3,000,000,000 of life insurance is carried by men who are subject to the draft and who will carry their insurance into the war without any extra war premium.

### NEW CHARTERS.

The following company incorporations are announced in the various gazettes:

#### FEDERAL CHARTERS.

Motor Products Corporation, Limited, Walkerville, Ont., \$500,000.  
 The Canadian Concert Direction, Limited, Montreal, \$49,000.  
 A. B. Jardine and Company, Limited, Hespeler, Ont., \$300,000.  
 Hall Bros., Limited, Toronto, \$20,000.  
 W. C. T. Boyd Company, Limited, Toronto, \$150,000.

Canada Emery Wheels, Limited, Hamilton, \$50,000.

#### QUEBEC CHARTERS.

The St. Maurice Foundries, Limited, Three Rivers, \$49,000.  
 The Pure Food Products Company, Limited, Quebec, \$49,000.  
 "Maimonides Club, Incorporated," Montreal, \$10,000.  
 La Compagnie de Placements des Cantons de l'Est, Sherbrooke, \$20,000.  
 Standard Doll, Toy and Novelty Manufacturing Company, Montreal, \$20,000.  
 Compagnie Saint-Joseph d'Elevage, Limitee, Cantorbert, \$10,000.  
 "Le Club L. O. - David, Incorpore" Maisonneuve, \$10,000.

#### ALBERTA CHARTERS.

Irvine Dixon, Limited, Coronation, \$15,000.  
 The Dan Morkeberg Creamery Company, Limited, Markerville, \$20,000.  
 Yale Shoe Store, Limited, Edmonton, \$20,000.  
 Goldlands, Limited, (non-personal liability), Edmonton, \$200,000.  
 Lakeview Farmers' Telephone Company, Limited, Viking, \$15,000.  
 Western Provinces Mortgage Company, Limited, Winnipeg, \$1,000,000.

#### ONTARIO CHARTERS.

A. S. King Silk Company, Toronto, \$1,000,000.  
 The Chelsea Green Iron Works, Limited, Fergus, \$20,000.  
 Grand Theatre, Limited, Toronto, \$75,000.  
 The Canada Pipe and Steel Company has been granted to increase the capital stock from \$300,000 to \$600,000.

#### SASKATCHEWAN CHARTERS.

Western Chemical Manufacturing Company, Saskatoon, \$20,000.  
 The McCallum Grain Company, Limited, Moose Jaw, \$70,000.  
 Central Valley Mutual Hall Insurance Company, Lawson, \$20,000.  
 Hammond Hamilton Company, Limited, Pense, \$20,000.  
 Canadian Commission Company, Limited, Winnipeg, \$40,000.  
 Success Business College, Limited, Regina, \$10,000.  
 Cummins Robinson Company, Limited, Regina, \$20,000.  
 Western Motor Supplies, Limited, Regina, \$10,000.  
 Michayle Hruskewsky Ukrainian National Home Society, Meacham, \$25,000.  
 Western Provinces Mortgage Company, Limited, Winnipeg, \$1,000,000.  
 Modern Steam Laundry, Saskatoon, \$1,500.  
 South View Stock Farm, Limited, Prince Albert, \$75,000.

ESTABLISHED 1832

Paid-Up Capital  
**\$6,500,000**



Reserve Fund  
**\$12,000,000**

TOTAL ASSETS OVER \$110,000,000

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

# THE BANK OF NOVA SCOTIA

∴ THE ∴

## Molsons Bank

Incorporated by Act of Parliament 1855.

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

**Head Office - Montreal**

Branches in 98 of the leading cities and towns in Canada. Agents and correspondents in leading cities of the United States and in Foreign Countries throughout the World.

Edward C. Pratt, General Manager

### THE

## Royal Bank of Canada

Incorporated 1869

Capital Authorized - \$25,000,000  
 Capital Paid up - \$12,900,000  
 Reserve Funds - \$14,200,000  
 Total Assets - \$270,000,000

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

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

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

**SAVINGS DEPARTMENTS at all Branches**

### THE

## Dominion Savings AND Investment Society

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

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

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

## Home Bank of Canada

BRANCHES AND CONNECTIONS THROUGHOUT CANADA.

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

Head Office TORONTO

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

### BANK OF ENGLAND STATEMENT.

The Bank of England reports the proportion of reserve to liabilities at 19 per cent, against 19.45 per cent a week ago.

The weekly statement of the institution shows the following changes: Total reserve decreased £1,537,000; circulation decreased £273,000; bullion decreased £1,810,166; other securities decreased £2,480,000; other deposits decreased £4,475,000; public deposits increased £415,000; notes reserve decreased £1,566,000; Government securities decreased £35,000.

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

	1917.	1916.	1915.
Gold	£53,432,790	£59,397,368	£53,126,499
Reserve	31,952,000	41,858,753	37,081,909
Notes reserve	29,284,725	39,767,060	36,086,790
Reserve to liab.	19%	28%	17%
Circulation	38,881,535	35,988,615	34,494,590
Public deposits	44,068,194	54,920,428	52,986,503
Other deposits	120,238,000	92,499,538	157,983,549
Gov't securities	44,893,203	42,187,661	51,747,910
Other securities	111,712,194	81,225,158	140,020,855

The principal items in the Bank of England statement at this date in the past few years compare as follows:

	Gold.	Reserve.	Other securities.
1917	£53,432,790	£31,952,000	£111,712,194
1916	59,397,368	41,858,753	81,225,158
1915	53,126,499	37,081,909	140,020,855
1914	40,054,634	29,180,399	33,623,288
1913	38,229,205	27,287,850	29,122,032
1912	40,388,477	29,272,207	33,003,853
1911	40,656,698	29,821,666	30,382,639

The proportion of reserve to liabilities compares as follows:

	Per cent.	Per cent.
1917	19	1911 49%
1916	28%	1910 50%
1915	17%	1909 52%
1914	52%	1908 50%
1913	53%	1907 46%
1912	50%	1906 49%

### CANADIAN BANK CLEARINGS.

The sections of bank clearings for the week ending July 12 from 24 Canadian cities aggregated \$262,526,378 as against \$211,618,828 for the same week last year, an increase of \$50,907,550. Brantford, Victoria and Brandon show the only decreases. Victoria showing a decrease of over a million out of a total of over 3 millions.

### BANK CLEARINGS.

1917.

Montreal	\$99,320,057	\$82,117,101	\$17,202,956
Toronto	66,663,014	47,592,814	19,070,290
Winnipeg	43,362,995	37,935,967	5,427,028
Vancouver	7,602,894	6,824,518	778,376
Ottawa	6,509,889	5,856,406	653,483
Calgary	6,106,058	.....	2,171,577
Hamilton	5,054,234	3,570,180	1,484,054
Quebec	4,426,262	4,090,005	336,257
Halifax	3,654,520	2,827,606	826,914
Regina	3,343,470	2,177,691	1,165,779
Edmonton	2,789,060	2,093,441	695,619
London	2,339,058	2,072,793	266,265
St. John	2,238,147	1,977,542	260,605
Saskatoon	1,654,061	1,036,310	617,751
Victoria	1,190,012	2,203,513	*1,013,501
Moose Jaw	1,054,060	835,167	218,893
Brantford	946,481	1,224,851	*278,370
Lethbridge	868,308	531,658	336,650
Peterboro	736,288	531,166	205,122
Port William	690,075	575,213	114,862
Sherbrooke	617,485	509,750	107,735
Medicine Hat	562,119	297,970	264,149
Brandon	462,012	513,886	*51,874
New Westminster	335,819	283,819	52,000

\$262,526,378 \$211,618,828 \$50,907,550

### STATEMENT OF THE BANK OF GERMANY

The statement of the Imperial Bank of Germany issued July 7 shows the following changes:

Total coin and bullion, increased 6,040,000 marks; gold, increased 164,000 marks; Treasury notes, decreased 6,409,000 marks; notes of other banks, increased 1,177,000 marks; bills discounted, decreased 465,142,000 marks; advances, increased 1,369,000 marks; investments, increased 12,485,000 marks; other securities, decreased 5,950,000 marks; notes in circulation, increased 18,358,000 marks; deposits, decreased 355,567,000 marks; other liabilities, decreased 119,000 marks. Total gold holdings, 2,457,463,000 marks.

### STATEMENT OF THE BANK OF FRANCE.

The weekly statement of the Bank of France shows the following changes: Gold in hand increased 2,617,000 francs; silver in hand decreased 480,000 francs; notes in circulation increased \$4,430,000 francs; Treasury deposits increased 27,332,000 francs; general deposits decreased 66,505,000 francs; bills discounted decreased 163,260,000 francs, advances increased 20,801,000 francs.

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

	1917.	1916.	1915.
Gold	5,289,535	4,775,550	3,986,477
Silver	262,347	346,268	367,524
Circulation	20,197,475	16,113,139	13,448,443
General deposits	2,520,777	2,539,442	2,379,924
Bills discounted	1,985,822	2,256,135	260,504
Treasury deposits	70,043	101,402	131,999
Advances	1,161,353	1,215,033	619,979

The total gold holdings compares as follows, in francs (last 000 omitted):

	1917.	1916.	1915.
July 12	5,289,535	4,775,550	3,986,477
July 5	5,286,918	4,768,636	3,944,975
June 28	5,284,151	4,762,192	3,931,555
June 22	5,281,139	4,755,854	3,927,293
June 14	5,278,028	4,749,444	3,921,341
June 7	5,274,630	4,744,180	3,919,757
May 31	5,274,630	4,738,169	3,916,503
May 24	5,270,125	4,730,448	3,913,428
May 18	5,265,389	4,721,833	3,913,428
May 10	5,259,571	4,714,995	3,915,650
May 3	5,252,412	4,810,967	4,127,030
April 26	5,243,165	4,803,526	4,169,010
April 19	5,232,458	4,899,377	4,253,375
April 12	5,222,316	4,893,325	4,228,025
April 5	5,212,538	4,986,357	4,253,375
March 29	5,200,065	5,006,244	4,250,973
March 22	5,184,445	5,011,277	4,248,725
March 15	5,168,011	5,023,088	4,244,350
March 8	5,156,844	5,018,950	4,241,975
March 1	5,148,850	5,014,985	4,240,375

The first item of circulation compares as follows, in francs (last 000 omitted):

	1917.	1916.	1915.
July 12	20,197,475	16,113,139	12,448,443
July 5	20,113,045	16,046,174	12,328,239
June 28	19,824,097	15,805,619	12,815,846
June 22	19,778,917	15,734,871	12,104,666
June 14	19,794,778	15,746,644	12,043,646
June 7	19,680,888	15,665,999	12,045,728
May 31	19,480,427	15,531,093	11,927,607
May 24	19,395,500	15,434,935	11,829,222
May 18	19,345,036	15,445,518	11,829,222
May 10	19,276,162	15,432,427	11,739,391
May 3	19,184,379	15,423,084	11,716,572
April 26	19,010,844	15,277,961	11,585,706
April 19	19,002,709	15,239,385	11,422,725
April 12	18,845,118	15,183,921	11,600,572
April 5	18,750,436	15,154,592	11,422,475
March 29	18,460,820	14,952,078	11,272,775
March 22	18,451,769	14,847,116	11,176,000
March 15	18,362,538	14,719,691	11,109,475
March 8	18,281,277	14,649,650	11,092,525
March 1	18,097,436	14,460,098	11,072,500

### JAPAN'S GOLD RESERVE.

(U. S. Consul General George H. Scidmore, Yokohama.)

Japan's reserve of gold specie on June 2, 1917, totaled 860,000,000 yen (\$428,280,000), according to the returns of the Department of Finance published in the Japan Chronicle, 303,000,000 yen (\$150,894,000) being held at home and 557,000,000 yen (\$277,386,000) abroad. Compared with the figures for May 23 last, this shows an increase of 56,000,000 yen (\$27,888,000) in the portion held at home, but a decrease of 34,000,000 yen (\$16,932,000) in that abroad, or an aggregate increase of 22,000,000 yen (\$10,956,000). The considerable increase at home with a marked decrease abroad is a new feature, bespeaking a great influx of gold, both on account of exports and the sudden increase in transferring of gold held abroad. At the end of July, 1914, or just before the outbreak of the war, Japan's gold specie amounted to 353,000,000 yen (\$175,794,000), 133,000,000 yen (\$66,204,000) being held at home and 220,000,000 yen (\$109,590,000) abroad. Over these figures the latest returns show an increase of 170,000,000 yen (\$84,660,000) in the portion held at home and of 337,000,000 yen (\$167,826,000) in that held abroad, or 507,000,000 yen (\$252,486,000) in the total. In other words, Japan's gold specie has increased by 150 per cent since the war started.

**THE STOCK MARKET.**

The main feature of the Canadian market last week was the further recovery in Dominion war loans. The 1931 issue selling up to 96 and the 1937 issue up to 95½. With the announcement of the proposed conversion privilege the second (1931) made the best showing rising 1½ to 96. The third (1937) issue scored a net gain of ½ touching 95½ the highest quotation, on a "with interest" basis, made since its appearance on the Montreal market. The seven point rise in Canadian Locomotive, which showed an advance from 57 to 62, was the other strong issue of the week. Steamship issues were stronger and except for Detroit United, which made a new low for the year at 106½ early in the week, but later rose to 108½, public utilities held within their usual level. There has been no change in the money situation and speculative activity remains in check, although the market gives every indication of being well liquidated.

There was but very slight improvement in the volume of business transacted here as compared with the week preceding, as the following table of comparisons shows:

	July 14 1917.	July 7, 1917.	July 15, 1916.
Shares .....	12,463	6,814	30,787
Rights .....	450	500	3,222
Bonds .....	\$127,725	\$99,850	\$208,800
Unlisted shares .....	193	225	1,215
Unlisted bonds .....	\$240,900	\$278,000	.....

**ORE SHIPMENTS IN JUNE.**

Cobalt.—Ore shipments for the month of June constitute a record for any one month of the current year. A total of 44 cars were sent out, as compared with 35 cars in May. During the first month of the year only 22 cars were sent out. The June record follows:

Shipper.	Cars.	Pounds.
Nipissing .....	19	1,326,388
Dominion Reduction .....	5	440,000
McKinley .....	4	342,592
La Rose .....	2	174,662
Confagas .....	2	159,146
Aladdin .....	2	149,500
Penn-Canadian .....	2	165,965
Right of Way .....	1	86,255
Kerr Lake .....	1	85,411
Beaver .....	1	74,753
Timiskaming .....	1	72,530
Hudson Bay .....	1	66,000
O'Brien .....	1	56,855
Trethewey .....	1	45,475
National .....	1	40,529
<b>Total .....</b>	<b>44</b>	<b>3,236,061</b>

**WEEK'S ORE SHIPMENTS.**

For the week seven Cobalt companies shipped an aggregate of 12 cars of ore, containing approximately 821,261 pounds. Nipissing, with four cars, was the leader, as follows:—

Shipper.	Cars.	Pounds.
Nipissing .....	4	261,163
Dominion Reduction .....	2	163,000
O'Brien .....	2	129,078
Beaver .....	1	74,755
Hudson Bay .....	1	65,897
Trethewey .....	1	64,947
Timiskaming .....	1	62,421
<b>Total .....</b>	<b>12</b>	<b>821,261</b>

During the same period only one company shipped bullion, as follows:—

Shipper.	Bars.	Ounces.	Value.
Buffalo .....	31	31,268	\$25,000

**The Canadian Bank of Commerce**

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.  
 SIR JOHN AIRD, General Manager.  
 H. V. F. JONES, Assistant General Manager.  
 CAPITAL PAID UP - \$15,000,000  
 RESERVE FUND - \$13,500,000

**BOARD OF DIRECTORS.**  
 Sir Edmund Walker, C.V.O., LL.D., D.C.L., President  
 E. A. Leah, Esq., K.C., LL.D., Vice-President.  
 John Hoskin, Esq., K.C., LL.D., D.C.L.  
 Sir Joseph Flavelle, Bart.  
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The Canadian Bank of Commerce having branches in all the important towns and cities throughout Canada, as well as Newfoundland, the United States, England and Mexico, offers unsurpassed facilities for the transaction of every description of banking business.

**BANK CLEARINGS AND LIVING COSTS.**

(Bradstreet's.)  
 This exhibit shows the volume of bank clearings for certain months, contrasted with wholesale prices:

	Bank Clearings.	Index No. prices.
January, 1917 .....	\$ 908,957,000	208.1
February, 1917 .....	770,548,000	217.3
March, 1917 .....	914,837,000	220.6
April, 1917 .....	1,072,244,000	228.7
May, 1917 .....	1,171,181,000	240.0
January, 1916 .....	742,900,000	172.0
April, 1916 .....	726,786,000	179.1
July, 1916 .....	865,637,000	178.8
September, 1916 .....	808,277,000	180.7
December, 1916 .....	1,054,346,000	204.8
January, 1914 .....	697,728,000	186.5
April, 1914 .....	671,705,000	186.7
July, 1914 .....	752,046,000	184.6
October, 1914 .....	712,723,000	188.7
January, 1915 .....	566,706,000	138.9

Present prices, compared with January, 1914, show an advance of 76 per cent., while bank clearings indicate an increase of 68 per cent. This table gives Canadian grand totals of bank clearings for each month since 1913:

(Three figures omitted.)

	1917.	1916.	1915.	1914.	1913.
Jan. ..	\$908,957	\$742,900	\$566,706	\$697,728	\$789,824
Feb. ..	770,548	664,222	487,296	596,837	662,766
Mar. ..	914,837	715,617	567,575	632,000	662,635
April. 1,072,244	726,786	575,941	671,705	742,985	
May . 1,171,181	894,805	570,769	701,353	783,018	
June . 1,047,382	864,715	559,941	699,179	729,533	
July ..	865,637	578,090	572,046	744,790	
Aug. ....	842,595	556,008	571,055	678,249	
Sept. ....	808,277	575,382	620,851	725,335	
Oct. ....	999,314	785,814	712,723	863,664	
Nov. ....	1,138,310	891,284	643,476	846,846	
Dec. ....	1,054,346	934,907	610,434	830,792	

**U. S. BANK CLEARINGS.**

The Bank clearings in the United States for the week ending July 5 aggregate \$5,949,130,000, against \$5,399,176,000 last week, and \$4,509,438,000 in the week last year, an increase of 31.9 per cent. For the same week last year returns for this week and last week show a percentage of change shown this week as compared with this week last year:

(000's omitted)

	July 5	I. or D.	June 28.
New York .....	\$3,655,125	I 33.9	\$3,162,925
Chicago .....	464,838	I 27.2	463,175
Philadelphia .....	323,508	I 34.3	318,050
Boston .....	261,323	I 27.5	210,630
St. Louis .....	113,288	I 28.2	121,126
Kansas City .....	114,027	I 63.3	121,419
San Fran. ....	114,304	I 82.3	82,844
Pittsburgh .....	71,897	I 15.3	87,695
Cleveland .....	78,233	I 59.1	79,884
Detroit .....	48,638	I 38.2	49,252
Baltimore .....	52,503	I .7	43,909
Cincinnati .....	38,528	I 14.7	35,009
Minneapolis .....	24,203	D 7.4	25,759
New Orleans .....	31,330	I 36.8	32,285
Los Angeles .....	27,406	I 22.4	29,146
Omaha .....	28,632	I 53.5	32,544
Milwaukee .....	110,951	I 6.0	23,639
Atlanta .....	21,726	I 73.7	22,161
Louisville .....	15,951	D 1.2	16,205
Richmond .....	22,878	I 55.7	22,235
Buffalo .....	19,171	I 6.5	16,738
Seattle .....	19,336	I 44.4	21,133
St. Paul .....	12,722	D 10.6	13,317

**THE GERMAN FAILURE.**

"The Allies on the West during this first round have captured 70,000 prisoners and nearly 500 guns and masses of trench mortars and machine guns, and disposed of some 300,000 German fighters." Such is Colonel Repington's summing up of the spring offensive on the Western front, which ended with the Messines advance. The famous military correspondent of The Times wonders when the world is to have its manifestation of the military superiority of the leaders of the German hosts. The Hindenburg-Ludendorff combination has failed before the superior strategy of the Allies. The British and French forces are maintained in the field by the national resources which support them. The Canadian armies depend for reserves, for equipment, for supplies upon the men and women at home. The financial line is their last reserve line. The National Service Board is urging national investment in War Savings Certificates that that last line may be strengthened. Have you invested your savings? Are you saving?

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

C. A. BOGERT, General Manager

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

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

(ESTABLISHED IN 1836)  
 Incorporated by Royal Charter in 1840.  
 — THE —  
**BANK OF BRITISH NORTH AMERICA**

PAID-UP CAPITAL - \$4,865,666.66  
 RESERVE FUND - \$3,017,333.33

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

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

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

Agents for the Colonial Bank, West Indies.

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

SAVINGS DEPARTMENT AT ALL BRANCHES  
 G. B. GERRARD, Manager, Montreal Branch.

ESTABLISHED 1872  
**BANK OF HAMILTON**

Head Office: HAMILTON

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

Business Founded 1795  
**AMERICAN BANK NOTE COMPANY**  
 (Incorporated by Act of the Parliament of Canada)  
 ENGRAVERS AND PRINTERS

BANK NOTES AND CHEQUES  
 CORPORATION BONDS  
 STOCK CERTIFICATES  
 MUNICIPAL DEBENTURES  
 and other MONETARY DOCUMENTS.

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

## UNION ASSURANCE SOCIETY LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1711

Canada Branch, Montreal:  
T. I. MORRISSEY, RESIDENT MANAGER.

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

AGENCIES THROUGHOUT THE DOMINION

### YOU LOOK FOR SECURITY

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

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

Business in Force over - - - \$59,600,000  
Assets over - - - - - 16,400,000  
Net Surplus over - - - - - 2,600,000

These are reasons why the Company is known as "SOLID AS THE CONTINENT"

### NORTH AMERICAN LIFE ASSURANCE COMPANY

HEAD OFFICE - - - - - TORONTO, CAN.

Founded in 1803

### THE LAW UNION AND ROCK INSURANCE CO. LIMITED

OF LONDON

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

Canada Head Office:

57 Beaver Hall Hill, MONTREAL

Agents wanted in unrepresented towns in Canada

J. E. E. DICKSON, Canadian Manager.

W. D. AIKEN, Superintendent Accident

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

Offers Liberal Contracts to Capable Field Men

GOOD OPPORTUNITY FOR MEN TO BUILD  
UP A PERMANENT CONNECTION

WE PARTICULARLY DESIRE REPRESENTATIVES  
FOR CITY OF MONTREAL

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

ALEX. BISSETT - - - Manager for Canada

### WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine  
and Inland Marine Insurance.

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

Losses paid since organiza-  
tion, over - - - - 63,000,000.00

HEAD OFFICE - - - - TORONTO, ONT.

W. R. BROCK, President. W. B. MEIKLE,  
Vice-Pres. & Gen. Man.

QUEBEC PROVINCE BRANCH:  
61 ST. PETER STREET, MONTREAL  
ROBERT BICKERDIKE, Manager

### The Independent Order of Foresters

Policies issued by the Society are for the protection of your family and cannot be bought, pledged or sold.

Benefits are payable to the beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

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

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

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

### AFTER BIG INSURANCE.

Sir Mortimer B. Davies, president of the Imperial Tobacco Company of Canada, is an applicant for \$1,500,000 of life insurance.

### PRIZE ESSAY TOPIC.

The National Association of Life Underwriters has selected the following as the subject for the prize competition for the Cafey Cup and Williams Vase: "Service of a Life Insurance Agent to a Nation in Time of War."

### THE TEST.

The successful career of the late Jas. J. Hill lends weight to his words. This is what he said about saving:

"If you want to know whether you are destined to be a success or not you can easily find out. The test is simple and is infallible. Are you able to save money? If not drop out. You will lose. You may think not, but you will lose as sure as fate for the seed of success is not in you."

### LORD ROSEBERY ON LIFE INSURANCE

"The family of a prudent parent does not need charity. Bacon truly said that the man who has a wife and children has given hostages to fortune. It is equally true that the man who owns a Life Assurance Policy holds a bond from fate. It is a security that is never absent. It can be carried in a man's pocket. If thieves steal it they cannot cash it. Friends cannot borrow it. It is free from care and is a sure inheritance. In short, a Life Policy is the anchor of the home."

### NEW YORK CITY FIRES.

The annual report of the New York Fire Department for 1916 was made public July 1. The figures show that the total number of fires in 1916 was reduced to have been 13,677 and the total loss \$8,746,-

the total per capita fire loss for 1916 was \$1.56, a decrease of 50 cents over 1915, when the loss was abnormally low. The loss per fire was \$639.50 in 1916, as compared with \$429.11 the preceding year. The average total fire loss for the three years immediately preceding Commissioner Adamson's administration was set at \$9,669,461, which is \$923,057 greater than the total loss in 1916.

### INSURANCE FOR BRITISH ARMY.

Insurance for all men serving with the British forces on land and sea has been inaugurated by one of the strongest companies in England. It affects all ranks, offering a fixed rate with benefits varying according to the circumstances attending death. The minimum yearly premium is \$5.00, and the maximum \$100. If the insured soldier dies of natural causes in Europe exclusive of the Balkan peninsula, or the sailor at sea, his beneficiary receives \$500. If he dies in action or is drowned at sea, the beneficiary receives \$25 immediately with a share in nine-tenths of the entire surplus arising from the whole scheme, which will be divided at the end of the war. Some such scheme probably will be taken up in the United States.

### EIGHTY-FIVE PER CENT. LEFT NO ESTATES.

A wealth of argument for life insurance and a world of tragedy is contained in the records of the New York Surrogate's office for a period of five years, covering the estates of adults who had died during that period. Eighty-five per cent. left no estate at all, while of the remaining 15 per cent.:

4.3 per cent. left estates valued at from \$300 to \$1,000.

5.3 per cent. left estates valued at from \$1,000 to \$5,000.

1.8 per cent. left estates valued at from \$5,000 to \$10,000.

1.8 per cent. left estates valued at from \$10,000 to \$25,000.

1.5 per cent. left estates valued at over \$25,000.

The investigation showed that with the exception of 3.3 per cent., those leaving the largest estates, practically none left anything but life insurance. This is just one more argument to be used against the so-called voluntary savings. They do not do it that way. There must be something of compulsion in laying aside something for the rainy day.

### THE NEED OF CAPITAL.

Statistics show that nearly one-third of the commercial failures are due to lack of capital. If one-third of the commercial failures are due to lack of capital, even when the man is living, what is the effect upon business crippled simultaneously by lack of capital and death—one often due to the other? Often the death of the owner of a small business compels the withdrawal of its capital, because the family needs it to live upon and prefers not to continue the business from which the head has been called by death.—Insurance Independent.

### FIT THE POLICY TO THE PROSPECT.

"What's the good of so many policies?"

"Why do you have so many classes?"

These two questions are asked us almost daily. I will answer them by asking you two questions.

"Why does the clothing merchant sell suits all the way from ten dollars up to fifty dollars?"

"Why does the grocer use scales to weigh sugar and flour—couldn't he use a big scoop and guess about how much to give for a dollar?"

According to the gospel of Heinz there are fifty-seven varieties of pickles—and Heinz got rich selling them.

There are fifty-seven varieties of men who buy insurance—and then some. If you tried to sell them all the same kind of policies you would have fifty-seven varieties of dissatisfaction.

You are the salesman and it's up to you to fit your policy to the prospect. You don't have to show your line to every man you talk to and for goodness sake don't show him anything at all until you have warmed him up to the point where he is interested in accident and health insurance as a proposition.

More beans have been spilled than Boston ever baked by trying to juggle three or four different policies in front of a man's eyes and practically saying—"Here you are—the best of everything—take your choice." That isn't salesmanship and if you continue doing it you will soon be cursing your luck—and hunting for a salaried job.

If you can't sell a policy and tell the truth about it something is wrong with you, or the policy. If you don't like a policy that does not pay for the first week of sickness, quote the special rate right from the jump. It's time enough to suggest a less costly policy when they hesitate about the cost.—Insurance Register.

### GRAND TRUNK RAILWAY SUMMER TRAIN SERVICE.

Train service to important points and popular resorts now in effect:

**Montreal-Portland and Atlantic Coast.**

Leave Montreal \*8.00 a.m., arrive Portland \*7.00 p.m. Leave Montreal \*8.20 p.m., arrive Portland \*7.30 a.m. Leave Portland \*7.45 a.m., arrive Montreal \*6.50 p.m. Leave Portland \*7.30 p.m., arrive Montreal \*7.25 a.m.

Parlor Car and Cafe Car on day trains and sleeping Cars on night trains.

**Montreal-Sherbrooke.**

Leave Montreal \*8.00 a.m., arrive Sherbrooke \*11.37 a.m. Leave Montreal \*4.16 p.m., arrive Sherbrooke \*8.20 p.m. Leave Montreal \*8.20 p.m., arrive Sherbrooke \*12.05 a.m. Leave Sherbrooke \*3.15 a.m., arrive Montreal \*7.25 a.m. Leave Sherbrooke \*8.04 a.m., arrive Montreal \*11.59 a.m. Leave Sherbrooke \*3.15 p.m., arrive Montreal \*6.50 p.m.

Parlor Car and Cafe Car leaving Montreal 8.00 a.m. and Sherbrooke 3.15 p.m. Parlor Car leaving Montreal 4.16 p.m. Sleeping Car leaving Sherbrooke 3.15 a.m. (car ready for occupancy at 10.00 p.m.)

**Montreal-Ottawa-Algonquin Park.**

Leave Montreal \*8.15 a.m., arrive Ottawa \*11.45 a.m., arrive Algonquin Park \*6.05 p.m. Leave Montreal \*4.00 p.m., arrive Ottawa \*7.30 p.m. Leave Montreal \*8.05 p.m., arrive Ottawa (a) 11.05 p.m. Leave Ottawa \*8.30 a.m., arrive Montreal \*12.00 noon. Leave Ottawa \*3.30 p.m., arrive Montreal \*6.30 p.m. Leave Algonquin Park \*10.13 a.m., leave Ottawa \*4.45 p.m., arrive Montreal \*8.15 p.m.

Parlor Buffet Car between Montreal, Ottawa and Algonquin Park, leaving Montreal 8.15 a.m., and Algonquin Park 10.13 a.m. Parlor Buffet Car leaving Montreal 4.00 p.m., and Ottawa 8.30 a.m. Parlor Car leaving Montreal 8.05 p.m., and Ottawa 3.30 p.m.

\* Daily. † Daily except Sunday. (a) On Sunday arrives 11.35 p.m.

## "A Little Nonsense Now and Then"

Officer (to private in Punch)—What the devil are you doing down that shell-hole? Didn't you hear me say we were out against four to one? Geordie (a trade unionist)—Ay, Aa heard you; but aa've killed ma fower.

A doctor attended an old lady from Scotland who had caught a severe cold.

"Did your teeth chatter when you felt the chill coming over you?" asked the doctor.

"I dinna ken, doctor; they were lying on the table!" was the pleasant reply.

"You don't dissipate, do you?" asked the physician, as he made ready for the tests. "Not a fast liver, or anything of that sort?"

The little henpecked man hesitated a moment, looked a bit frightened, then replied in a small piping voice: "I sometimes chew a little gum."

Germany is still talking about her colonies, which reminds us of John Sharp Williams's story of the old lady of the Confederacy who started in 1861 with a pair of silk stockings and darned them so persistently with yarn that by 1865 they were cotton. But such was the force of habit that she continued to refer to them as her silk stockings.

Perhaps the briefest funeral oration ever delivered was that of an old negro of Mississippi over the body of another of his race who had borne a very bad reputation. Lifting his hat and looking down upon the coffin, the old fellow said in solemn, funeral tones: "Sam Viser, yo' is gone. We hopes yo' is gone whar we 'spects yo' hain't."

A kindergarten teacher entering a street-car saw a gentleman whose face seemed familiar, and she said, "Good evening!" He seemed somewhat surprised, and she soon realized that she had spoken to a stranger. Much confused, she explained: "When I first saw you I thought you were the father of two of my children."—Argonaut.

"Mother," said an Irish youngster, "won't you give me my candy now?"

"Whist!" exclaimed the mother, "didn't I tell ye I'd give ye none at all if ye didn't kape quiet?"

"Yis, mum."

"Well, the longer ye=kape quiet the sooner ye'll get it."

Apropos of the recent decision of the French authorities to increase the pay of the French soldier serving in the trenches from twenty-five centimes to one franc a day, a story is recalled. In October, 1915, the French soldiers' pay was raised from five centimes a day to twenty-five, and a poilu, on being asked how he liked his raise, replied simply:

"I don't like it much; people will now call us mercenaries."—Argonaut.

Pat came home one night with a black eye, a broken nose, and a split lip; a front tooth was gone as well.

"Tim Sullivan done it," he told his wife, as he began to bathe his wounds in a basin of water.

"Shame on ye!" Bridget cried. "A big feller like you to be licked by a little, hard-drinkin' cockroach like Tim Sullivan! Why, he—"

"Whist," said Pat from the basin, softly. "Don't sphake evil of the dead."

A small meek, country negro, who had always lived on one place near Frankfort, Kentucky, married a big, domineering woman, and very soon afterward moved into town, where the keeper of the local bar met him on the street.

"Hello, Gabe," he said, "what made you move to town? I thought you liked country life."

"Well, Mistah Franklin," explained Gabe, "I uster lak de country. But mah wife she didn't lak it—and I've done got so now dat when she don't lak a thing I jest natchelly hates it."

Sandy, a Scotsman that the Windsor Magazine tells about, had returned to his native village after a visit to London. When some one asked him what he thought of the great city, he said:

"It is a grand place, but the folks there are not honest."

"How is that?" asked his friend.

"Well, I bought a box of pins labeled 'a thousand for a penny,' and coming home in the train I counted them, and I found they were 17 short." — Youth's Companion.

## THE FARMER.

A growing percentage of life insurance is being received from the farmers of Canada. They offer a large and profitable field by virtue of the fact that they represent a large portion of the total population, and their average wealth per capita is higher than that of the average urban citizen. The increased prosperity which the farmers have of late enjoyed, together with a broadened vision as a result of greater education along every line, has given rise to an appreciation of the scope of and need for insurance. Further, the more progressive methods adopted in the present day involving the use of credit and more intricate financing has rendered more imperative that protection which life insurance alone gives.

## TO PREVENT INCENDIARISM.

The Arson Committee of the National Board of Fire Underwriters has started a movement for the prevention of the large fire waste in this country due to incendiarism. In pursuit of the plan a letter, under the signature of Chairman Bartow, and concurred in by the Committee on Adjustments, has been sent to the company members, asking for their co-operation. The letter says:

"The attention of companies is called to the work going forward by the Arson Committee under the new plan looking to the diminution of the incendiary hazard, and we invite your thoughtful consideration of the following:

"Whether fires are started for the purpose of totally destroying property or whether an incendiary contrives to set a small closet fire, in either case, it is for the purpose of obtaining ready cash.

"There are many fires of suspicious origin where it is impossible to obtain evidence upon which a company may successfully resist payment, yet the underwriter may be well convinced that the fire was fraudulently procured. In many of these cases compromise settlements are obtained upon favorable terms, with the understanding that it shall be for immediate cash.

According to such settlements upon a cash basis, whether for large or small amounts, works directly against the public interest, and makes it more difficult the work of suppressing incendiarism.

"Your committee therefore, earnestly requests the co-operation of the companies in establishing the practice of refusing to pay losses to an assured upon whose premises a fire starts, where the cause is of unsatisfactory origin, until maturity of the claim and in refusing to sanction settlement on cash basis in such cases.

"It is admitted that the probability of evidence being adduced in sixty days, which would lead to the arrest of the incendiary, is often remote, but withholding payment of a loss for sixty days is certainly a deterrent.

"It is further suggested that when more than one company is interested in a suspicious loss, if pressure for payment is brought upon them by the agent, the companies interested should first communicate with each other for an exchange of views.

"We urgently ask for your co-operation and that your staff be instructed accordingly, and that you advise this committee through General Manager Mallalieu if you will support this principle."—Insurance Register.

## POLICIES PROVIDING Guaranteed Annuities, Payable Monthly

A Policy that secures to the Beneficiary a definite income payable in monthly installments throughout life is the Ideal Life Assurance Contract. Such an income is guaranteed for twenty years, under Mutual-Life-of-Canada contracts issued on the Life, Limited Payment Life, and Endowment plans. The income will be increased by an interest dividend during the twenty years of guaranteed payments. Write for our booklet—"Policies Providing Guaranteed Annuities Payable Monthly." Full particulars of any desired plan may be secured by giving age of the prospective beneficiary, as well as your own.

## THE MUTUAL LIFE ASSURANCE Company of Canada

WATERLOO	ONTARIO
ASSURANCES	\$109,645,581
ASSETS	\$29,361,963
SURPLUS	\$4,595,161

## NEW RECORDS

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

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

SUN LIFE ASSURANCE COMPANY OF CANADA HEAD OFFICE—MONTREAL

## AN IDEAL INCOME

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

Union Mutual Life Insurance Company, Portland, Maine

on its

### MONTHLY INCOME PLAN

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

For full information regarding the most liberal Monthly Income Policy on the market write, stating nearest birthday, to

WALTER I. JOSEPH, Manager, Union Mutual Life Insurance Company, Suite 502 McGill BLDG., MONTREAL, QUE.

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

The largest general Insurance Company in the World.

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

(As at 31st December, 1916).

Head Office, Canadian Branch: Commercial Union Bldgs., 232-236 St. James Street, Montreal, Que.

Applications for Agencies solicited in unrepresented districts.

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

## A Free Course in "Salesmanship"

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

A GOOD LIVING WAGE  
A PROFITABLE FUTURE  
A PROVISION FOR OLD AGE  
We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world." This is done by a correspondence course and personal assistance, free of charge. When he is fully prepared for the work, we place him in a position and help him to make good. The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this. All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY Head Office, Toronto.



## PERIBONKA COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 28th day of June, 1917, incorporating Richard Stanley Finn, engineer, Henry Timmis, financial agent, Isabelle Jaslow, secretary, Harry Louis Horsey, decorator, and Neil Francis MacNeill, journalist, all of the City of Montreal, in the Province of Quebec, for the following purposes, viz:—

(a) To carry on the business, in all its branches, of manufacturers, producers, importers and exporters of, and dealers in lumber, timber, logs, pulp wood, pulp and paper of all kinds and in substitutes for same, and in all products or by-products thereof, and in all other products composed in whole or in part of wood or in the manufacture of which wood is used;

(b) To purchase, lease or otherwise acquire, real estate, lands, locations, surface rights, timber limits, timber licenses, water powers, river rights, water lots, riparian rights, booming grounds, driving rights, and government, municipal, civic and other rights, privileges, franchises, easements, and licenses of all kinds, and to own, hold, use, enjoy, lease, sell, exchange or otherwise deal in or dispose of the same;

(c) To purchase, lease or otherwise acquire and to construct, build, erect, equip, improve, maintain, operate or aid in the construction, equipment, maintenance and improvement of pulp and paper and lumber mills, warehouses and other buildings, public and private, and all other works of public or private utility, including railways and tramways on lands owned or controlled by the company, railway sidings, basins, docks, jetties, piers, wharves, bridges, viaducts, aqueducts, roads, elevators, log canals, flumes, dams, reservoirs, embankments, sluices, booms, and shipping or navigation routes, and to sell or otherwise dispose of the same; to construct, acquire, hold, manage, charter, hire, lease, operate and sell all kinds of steam, gasoline, and sailing vessels, motor boats, tugs, steamers, barges, scows, lighters, ferries, rafts, engines, cars, locomotives, vehicles and other conveniences for the transportation of passengers or freight by land or water; and to carry on the business of vessel agents, cartage agents, wharfingers, warehousemen, livery-stable keepers, forwarders, transporters, and common carriers in connection with the business of the company;

(d) For the purposes aforesaid and as subsidiary thereto, to carry on the business of general merchants, hotel proprietors, lodging-house keepers, farmers, dairymen, ice merchants, realty brokers, insurance agents, iron founders, millwrights, machinists, blacksmiths, wood-workers, general agents, general contractors, and manufacturers of plant and machinery of all kinds in connection with the business of the company, or otherwise acquire and deal in mines, mining rights and lands, to manufacture the products thereof, and to manufacture and deal in hardware, chemicals, drugs, solvents, and all other compounds, substances, builders supplies, and all other building material, which could be advantageously used, dealt in or manufactured, in connection therewith;

(e) To purchase, lease, or otherwise acquire and to erect, equip, maintain and operate power houses, power plants, machinery and works for the generation, utilization and distribution of electric, steam, pneumatic, hydraulic or any other form of power and for lighting, heating or any other purpose, and to enter into arrangements with other companies, persons, firms and corporations, and with any governments or authorities, federal, provincial, municipal, local or otherwise, for the lighting of cities, towns, streets, buildings and other places, and for the supplying of electric light, heat and motive power for public or private purposes; provided always that the rights, powers, and privileges hereby conferred upon the company to generate, sell and dispose of electricity and other forms of power and light, when exercised outside of the property of the company, shall be subject to all provincial and municipal laws and regulations in that behalf;

(f) To apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired;

(g) To purchase, lease or otherwise acquire and to hold, own, use or enjoy and to sell, convey, lease or otherwise dispose of real estate and lands of all descriptions, and to construct, operate and maintain warehouses, stores, sheds, shops, yards, offices, hotels, boarding houses, restaurants, dwellings and structures of every description, upon such real estate or any part thereof; to develop, improve and lay out any such property in building lots, streets, lanes, squares or otherwise, and to aid and assist by way of bonus, advances of money, or otherwise, with or without security, purchasers or lessees of any part of the company's lands for building purposes or other improvements;

(h) To enter into any arrangement with any government or authorities, federal, municipal, local or otherwise, that may seem conducive to the company's interest or any of them to obtain from such governments or authority any rights, privileges and concessions which the company may think it desirable to obtain and to comply with and carry out such rights, privileges and concessions;

(i) To subscribe for, purchase, or otherwise acquire the shares, bonds, debentures or other securities of any other company or corporation, notwithstanding the provisions of section 44 of the said Act, and to pay for the same in shares, bonds, debentures or other securities of this company, and to hold, sell or otherwise deal in the shares, bonds, debentures or other securities so purchased, and while holding the same to exercise all the rights and powers of ownership thereof, including the voting powers thereof, and to guarantee payment of the principal or of dividends and interest on the shares, bonds, debentures or other securities of any company or corporation with which the company may have business relations, and to promote any company or corporation having objects altogether or in part similar to those of this company or carrying on any business capable of being carried on so as directly or indirectly to benefit this company;

(j) To consolidate or amalgamate with any other company or corporation having objects similar in whole or in part to those of this company, and to enter into any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to engage in or carry on, or capable of being conducted so as directly or indirectly to benefit this company, and to lend money to, guarantee the contracts of or otherwise assist any such person, company or corporation, and to take or otherwise acquire shares and securities of any such company or corporation, and to sell, hold, issue or re-issue the same, with or without guarantee of principal and interest, or otherwise to deal with or to dispose of the same;

(k) To purchase, lease or otherwise acquire and to exercise and enjoy in its own name or in the name of the persons, firms, company or companies after referred to, if hereunto duly authorized, all or any of the property, franchises, good-will, rights, powers, or privileges held or enjoyed by any person, firm or company or by any company or companies carrying on or formed for carrying on any business similar in whole or in part to that which this company is authorized to carry on, and to pay for such property, franchises, goodwill, rights, powers and privileges wholly or partly in cash or wholly or partly in paid-up shares of the company, or otherwise, and to undertake the liabilities of any such person, firm or company, and to exercise the rights, powers and franchises of any company whose capital stock is owned by this company in the name of such company or in its own name;

(l) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares of the company's capital, or any debentures or other securities of the company or in or about the formation or promotion of the company or the conduct of its business;

(m) To obtain any act of parliament or legislature for any purposes of the company; and to oppose any such act deemed prejudicial to any of the company's interests;

(n) To take part in the management, supervision or control of the business or operations of any company or undertaking having objects altogether or in part similar to those of this company, and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents; and to acquire and carry on any other business, whether manufacturing or otherwise which may seem to the company capable of being conveniently carried on in connection with the business or objects of the company, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights;

(o) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit, employ or ex-employees of the company or the dependents or connections of such persons, and to

grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object;

(p) To sell lease, exchange, dispose of, turn to account or otherwise deal with the property, rights, franchises and undertakings of the company, or any part thereof, for such consideration as the company may think fit, and in particular for shares, bonds, debentures or securities of any other company having objects altogether or in part similar to those of this company;

(q) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined;

(r) To procure the company to be licensed, registered or otherwise recognized in any foreign country, and to designate persons therein as attorneys or representatives of the company with power to represent the company in all matters according to the laws of such foreign country, and to accept service for and on behalf of the company of any process or suit;

(s) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;

(t) To make cash advances to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons;

(u) To do all such other things as are incidental or conducive to the attainment of the above objects and to do all or any of the above things as principals, agents or attorneys;

(v) To distribute in specie or otherwise, as may be resolved, any assets of the company among its members and particularly the shares, bonds, debentures or other securities of any other company that may take over the whole or any part of the assets or liabilities of this company;

(w) The business or purpose of the company is from time to time to do any one or more of the acts and things herein set forth and any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Peribonka Company Limited," with a capital stock of one million dollars, divided into 10,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Montreal in the Province of Quebec.

Dated at the office of the Secretary of State of Canada, this 28th day of June, 1917.

THOMAS MULVEY,  
Under-Secretary of State.

J. A. H. CAMERON, K.C.,  
Solicitor for Applicants,  
Suite 624 Transportation Bldg., Montreal.

grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object;

(p) To sell lease, exchange, dispose of, turn to account or otherwise deal with the property, rights, franchises and undertakings of the company, or any part thereof, for such consideration as the company may think fit, and in particular for shares, bonds, debentures or securities of any other company having objects altogether or in part similar to those of this company;

(q) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined;

(r) To procure the company to be licensed, registered or otherwise recognized in any foreign country, and to designate persons therein as attorneys or representatives of the company with power to represent the company in all matters according to the laws of such foreign country, and to accept service for and on behalf of the company of any process or suit;

(s) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;

(t) To make cash advances to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons;

(u) To do all such other things as are incidental or conducive to the attainment of the above objects and to do all or any of the above things as principals, agents or attorneys;

(v) To distribute in specie or otherwise, as may be resolved, any assets of the company among its members and particularly the shares, bonds, debentures or other securities of any other company that may take over the whole or any part of the assets or liabilities of this company;

(w) The business or purpose of the company is from time to time to do any one or more of the acts and things herein set forth and any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company.

The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Peribonka Company Limited," with a capital stock of one million dollars, divided into 10,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Montreal in the Province of Quebec.

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## IN THE SUPERIOR COURT

PROVINCE OF QUEBEC, DISTRICT OF MONTREAL, in the SUPERIOR COURT, NO. 2946.—Joseph Ovila Dezuel, of the city and district of Montreal, grocer, Plaintiff, vs. Wilfrid Doucet, of the same place, Defendant. The Defendant is ordered to appear within one month.

Montreal, 11th June, 1917.  
T. DEPATIE,  
Dep. Prothonotary.  
JOS. B. BERARD,  
Attorney for Plaintiff.

BLACK DIAMOND  
FILE WORKS

Established 1863 Incorporated 1897  
Highest Awards at Twelve International Expositions. Special Prize, Gold Medal, Atlanta, 1895

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

## The Standard Bank of Canada.

## Quarterly Dividend Notice No. 107.

Notice is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the Quarter ending July 31st, 1917, and that the same will be payable at the Head Office in this City and its Branches on and after Wednesday, the 1st day of August, 1917, to shareholders of record of the 21st of July, 1917.

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

Toronto, June 25th, 1917.



ARGENTINA  
CHILE

Established 1891

URUGUAY  
PARAGUAY

# The Review of the River Plate

ALL ABOUT  
**ARGENTINA**

*Its Wonderful Resources and Possibilities*

PUBLISHED IN BUENOS AIRES

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BUENOS AIRES

## AGENTS:

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EUROPE AND AMERICA (12 months) .....	*£1.15

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\*European and North American Advertisers and Subscribers are requested to address their communications to the respective agents in London and New York.

## News of the Week

### TUESDAY, JULY 10.

Vienna and Berlin admit a Russian victory of considerable importance thirty-five miles west of Stanislaw.

There has been desperate fighting on the French front where the Germans claim success on a two mile area on the Chemin des Dames.

A Russian retirement near the border between Persia and Mesopotamia is announced from Petrograd.

It is announced that 43 persons were killed by the air raid over London.

German minority Socialists are urging a general disarmament.

The American steamer Massapequa was sunk by a German submarine.

### WEDNESDAY, JULY 11.

Russians are reported to have taken Halicz, the key to Galicia's capital.

Germans make another unsuccessful attack on Aisne front.

German artillery displays intense activity on Belgian front and English artillery replies.

Heavy Austrian attacks were stopped by the Italians.

The city of Pekin was surrounded by Republican troops.

The French liner Caledonian was sunk and fifty-one lives were lost.

### THURSDAY, JULY 12.

British admit German success on Belgian front.

Halicz, the key to Lemberg, is in the hands of the Russians.

Russians captured 2,000 prisoners and thirty guns at Halicz.

British airmen perform extraordinary feat in bombing Turkish and German warships in Golden Horn.

Italian troops occupy the Austrian town of Dolina, on the Carso Plateau.

Fines under the Ontario temperance act in Hamilton to date (since September 16, 1916) total \$44,600.

It was officially reported to be 119 in the shade on the Tigris front.

Great Britain made a statement showing that Dutch dairy exports to Germany greatly exceeded those to Britain.

### FRIDAY, JULY 13.

Russian forces take Kalucz, west of Stanislaw, and about 16 miles south of Lemberg.

Lively artillery and patrol skirmishing on Belgian front.

British naval airplanes are very busy off the Gallipoli Peninsula.

Arabs successfully defeat Turks in Arabia.

The Chinese capital was surrounded by Republican troops.

A coalition recruiting committee has been organized in Australia.

Sinn Feiners were said to be receiving financial aid from Germans in America.

### SATURDAY, JULY 14.

Russian troops under Brussiloffs sweep over the Austro-German defences along a front of fifty miles between Halicz and the foothills of the Carpathians.

Fighting on the Roumanian front is confined to conflicts between advanced detachments.

Survivors of the British Battleship Vanguard, destroyed on July 9th by internal explosion number only 97.

On the West front a number of raids have been carried out by both sides.

Twenty-four German planes were winged on the French front.

Italian guns were active along most of the front.

Arthur Henderson, of Great Britain, declares the Russian people to be more hopeful.

Three more American newspapers and one English book have been barred from Canada by orders in Council.

### MONDAY, JULY 16.

Russians continue offensive in Galicia, in spite of heavy rains. The Austro-German lines are being strengthened by reinforcements.

French troops capture heavy net-work of Hun trenches in Champagne on 800 yard front, 300 yards deep.

Attack upon Lens has become a fierce and long continued artillery duel.

Chancellor Bethmann Hollweg has resigned and Dr. Georg Michaelis, Prussian Under-Secretary of Finance and Food Commissioner has been appointed to succeed him.

The British Transport Armada has been sunk by a sub.

Passenger liner Krisianiafjord ran ashore in fog, off Cape Race.

Serious difficulties are reported to have arisen between the new King of Greece and Venizelos.

Defeat of Chang Hsun's army ends monarchy in China.

## ATLANTIC SEA COAST.

Portland, Maine and Casco Bay form the Utopia of those with moderate means; nowhere will a dollar procure more of seaside pleasures. Hotels in city and on the islands in the bay are numerous, and an unlimited number of boarding-houses and cottages are in evidence to suit all classes,—rates ranging from \$5.00 per day to \$5.00 per week. Day and night trains from Montreal. Write or call for full information on M. O. Dafoe, City Passenger Agent, 122 St. James St., Montreal.

A Canadian newspaper calls attention to a nursing bottle advertisement, which concludes with the words: "When the baby is done drinking it must be unscrewed and laid in a cool place under a tap. If the baby does not thrive on fresh milk it should be boiled."

## PENMANS LIMITED

### DIVIDEND NOTICE.

Notice is hereby given that a Dividend of one and one-half per cent. has been declared on the Preferred Shares of the capital stock of this Company for the quarter ending July 31st, 1917, payable August 1st, 1917, to shareholders of record of July 21st, 1917, also a Dividend of one per cent. on the Common Shares for the quarter ending July 31st, 1917, payable August 15th, 1917, to shareholders of record of August 4th, 1917.

By Order of the Board.

C. B. ROBINSON,

Secretary-Treasurer.

Montreal, July 13th, 1917.

GUIDE TO INVESTORS

CANADIAN STOCKS

Quotations of Listed Securities on the Montreal Stock Exchange, with Prices Closing on July 13, 1917

Table with columns: COMPANY, Shares par Value, CAPITAL (Issued, Authorized), DIVIDEND PER CENT. (Present, When payable), and price columns for 1914, 1915, 1916, and 1917 (High, Low).

CANADIAN BANK SECURITIES

Table with columns: BANK, Shares Par Value, CAPITAL (Authorized, Issued), Reserve as per last statement, DIVIDEND P.C. (Prs., When pay.), and price columns for 1914, 1915, 1916, and 1917 (High, Low).

# THE EXPORTER'S FIELD

## PRELIMINARY STATEMENT OF THE TRADE OF CANADA FOR MAY.

Prepared by Trade Statistics Branch, Department of Trade and Commerce, Ottawa.

### ONE MONTH AND TWELVE MONTHS ENDING MAY, 1915, 1916, AND 1917.

	Month of May.			Twelve Months ending May.		
	1915.	1916.	1917.	1915.	1916.	1917.
<b>Imports for Consumption.</b>	\$	\$	\$	\$	\$	\$
Dutiable goods .. .. .	19,851,612	39,840,167	56,479,482	263,892,168	321,635,047	494,205,075
Free goods .. .. .	14,539,196	29,857,645	51,116,897	172,246,999	243,211,508	425,684,374
<b>Total imports (mdse.)</b> .. .	<b>34,390,808</b>	<b>69,697,812</b>	<b>107,596,379</b>	<b>436,139,167</b>	<b>564,846,555</b>	<b>919,889,449</b>
*Coin and bullion .. .	656,127	632,369	1,123,489	132,349,976	34,129,108	28,609,813
<b>Total imports</b> .. .	<b>35,046,944</b>	<b>70,330,181</b>	<b>108,719,868</b>	<b>568,489,143</b>	<b>598,975,663</b>	<b>948,499,262</b>
Duty collected .. .	7,255,412	13,089,872	17,082,823	78,347,546	113,570,816	155,694,401
<b>Exports</b>						
<b>Canadian Produce—</b>						
The mine .. .	5,057,175	6,299,546	6,323,572	52,604,187	68,727,974	85,839,699
The fisheries .. .	872,314	1,478,734	1,105,506	19,953,656	23,103,465	24,334,846
The forest .. .	3,487,103	4,174,038	5,007,147	42,896,032	52,316,834	56,913,691
Animal produce .. .	3,487,231	6,287,620	11,376,808	76,033,299	10,748,272	133,287,242
Agricultural products .. .	12,746,727	47,433,750	71,793,023	135,374,932	299,035,751	387,910,158
Manufactures .. .	16,121,149	27,734,477	52,949,625	104,589,832	261,999,746	521,901,392
Miscellaneous .. .	308,787	1,244,973	501,555	980,567	7,917,394	5,646,252
<b>Total Canadian produce</b> .. .	<b>42,080,486</b>	<b>94,653,138</b>	<b>149,057,236</b>	<b>432,432,505</b>	<b>820,583,436</b>	<b>1,215,833,280</b>
Foreign produce .. .	1,440,434	11,833,364	3,233,110	52,501,074	45,306,738	30,879,984
<b>Total exports (mdse.)</b> .. .	<b>43,520,920</b>	<b>106,486,502</b>	<b>152,290,346</b>	<b>484,933,579</b>	<b>866,890,174</b>	<b>1,246,713,264</b>
*Coin and bullion .. .	1,456,457	156,783	479,477	34,126,626	97,364,676	186,208,571
<b>Total exports</b> .. .	<b>44,977,377</b>	<b>106,643,285</b>	<b>152,769,823</b>	<b>519,060,205</b>	<b>964,254,850</b>	<b>1,432,921,835</b>
<b>Aggregate Trade.</b>						
Merchandise .. .	77,911,728	178,184,314	259,886,725	921,072,746	1,431,736,729	2,166,602,713
Coin and bullion .. .	2,111,593	789,152	1,602,966	166,476,602	131,493,784	214,818,384
<b>Total trade</b> .. .	<b>80,023,321</b>	<b>178,973,466</b>	<b>261,489,691</b>	<b>1,087,549,348</b>	<b>1,563,230,513</b>	<b>2,381,421,097</b>

\*NOTE.—It will be noted that the figures relating to the imports and exports of coin and bullion for the twelve months ending May, were: imports, 1915, \$132,349,976; 1916, \$34,129,108; 1917, \$28,609,813; and exports, 1915, \$34,126,626; 1916, \$97,364,676; 1917, \$186,208,571. Although it has been customary to include the figures in trade returns, the total trade figures are seriously disturbed by them in this instance and they should not be taken as an indication of the trade of Canada.

## THE VALUE OF ADVERTISING.

Scribner's Magazine for June contains an article by Edward Mott Woolley entitled, "The Silent-Voice," which shows how much of the largest business houses in the United States were developed by extensive advertising. While the article is devoted chiefly to illustrating the results of individual advertising of manufactured articles, it points out in the following passages that the advertising of natural products co-operatively has made rapid strides.

"One of the best examples in the California Fruit Growers' Exchange, which began in 1907, with an expenditure of \$6,900, and has an appropriation this year of \$400,000. Through this advertising the consumption of California citrus fruits has increased in the last seven years six and a half times as rapidly as the population of the United States. About 330 newspapers are now being used.

"Following this example, a group of men formed the Northwestern Fruit Exchange, which through advertising has become the largest shipper of boxed apples in the world. In 1914 the apple crop of this country exceeded 259,000,000 bushels, a gain of 114,000,000 bushels over 1913. Yet this was of little benefit to the growers, because they had no adequate outlet. A million bushels of fruit were fed to live stock, and it is estimated that in 1913 and 1914 only 40 per cent of the entire crop ever reached the consumer. The answer to the situation lay in co-operative advertising, which must be the answer in other similar dilemmas. The apple-growers of the United States, in 1915, are said to have lost \$8,000,000 through the cutting off of export outlets for the big crops. If co-operative advertising had been undertaken a few years earlier home markets could have been developed.

"The California raisin-growers are also following the lead of the other fruit-producers in the marketing of crops, and the situation as to prunes is similar. The total production of this latter fruit for three years was 549,000,000 pounds, of which only a little more than half was consumed in the United States. Germany was the largest foreign customer, but when the war came this foreign market was closed. The situation is summed up in a circular sent out by a San Jose bank: 'We have an enormous American consuming power, and in former years this took the bulk of our products, but we neglected this when

## TRADE INQUIRY.

On Wednesday, July 11, Sir Frederick Nicholls secured adoption by the Senate of a resolution declaring it expedient that the Senate "appoint a committee to enquire into the report upon the best method of conserving and increasing our domestic and overseas trade to the end that our present prosperity may not unduly suffer when the stimulus resulting from orders for munitions and other war supplies is removed."

The resolution was adopted and Senators Beaubien, Edwards, McLennan, Dandurand, Gilmore, Nicholls and Richardson were named as the committee.

The supply bill of the Government was adopted.

## EMBARGO ON COAL.

Every steamship leaving an American port after midnight, July 14, must get a license for the coal contained in its bunkers. This will apply to steamships bound for both foreign and coastwise ports. The exports council, which under the espionage law will administer the direction of exports provisions of the law, has decided to first take up the subject of coal, and no secret is made of the fact that it intends to use its power over the shipment of this commodity to make all neutral countries play fair with the allies in connection with supplies they need.

Europe overbid us in prices and our domestic demand has become dormant. American trade follows American advertising. Breakfast foods have become a popular demand because they have been advertised largely. We can build up a similar demand for our dried prunes and apricots by systematic advertising.

"Another instance of co-operative work is that of the California Walnut Growers' Association. The comparatively small amount of national advertising done by this body has increased consumption to a considerable extent.

"In the Niagara peninsula in Ontario there was a great surplus of plums, peaches and cherries, due to the war, and it looked as if the farmers would be heavy losers. A comparatively small outlay in intelligent publicity resulted in the disposal, at fair prices, of practically the entire output.

"In 1916 the Seabrook Farm, at Bridgeton, N.J., captured a New York market with over 500,000 quarts of strawberries by giving them a trade-name and advertising."

## SHIPMENTS OF ANTHRACITE.

The shipments of Anthracite coal for June, according to reports to the Anthracite bureau of information, established a new record not only for that month, but for any month in the history of the industry, says an announcement issued recently by the bureau. The statement says:

"The railroad shipments amounted to 7,049,037 tons, an increase over the preceding month of 141,512 tons. This is the first time in the history of Anthracite mining that the shipments have exceeded 7,000,000 tons.

"Compared with June last year, the shipments last month showed an increase of 1,412,062 tons. Shipments for the first six months this year amounted to 37,667,093 tons, against 33,421,665 tons in 1916.

## WHERE UNITED STATES SELLS HER CHEWING GUM.

(United States Commerce Reports).

Over \$1,200,000 worth of American chewing gum will reach foreign buyers in the current fiscal year if exports continue at the same rate as in the nine months ended March 31. During this period the shipments aggregated \$926,500 in value, or more than \$100,000 a month, and if kept up will make for the complete year a total trade 500 times as large as in 1894, when chewing gum first appeared as a separate item in the published official statistics.

The chewing of gum chicle is a habit peculiar to the United States, and its introduction into other countries has been slow. In 1894 exports totalled \$2,658, only to drop to \$1,709 in 1895, and to \$289 in 1896, and to disappear altogether in 1897. In 1898 the trade revived, with shipments amounting to \$805. The next year witnessed a jump to \$19,991, but this figure could not be maintained, and exports in 1900 amounted to \$8,725, in 1901 to \$11,686, and in 1902 to \$1062.

### Distribution by Grand Divisions.

Canada was at first the chief purchaser of American chewing gum, England soon became the largest buyer, the increase in trade during 1899 just noted having been due to the importation of \$11,070 worth by that country. However, the use of American chewing gum has gradually spread, until this confection is now found in every quarter of the globe.

Perhaps 8,250,000 pounds of chicle could be taken as a fair present-day average of the amount annually used by the American industry—a quantity that would make 175,000,000 five-cent packages of the regulation size (if no account be taken of wastage of gum on the one hand or of the weight added by sugar and other ingredients on the other hand).

The average value per pound of the chicle imported rose from about 15 cents in 1899 to 24 cents in 1901, 32 cents in 1907, and 45 cents in 1911. For the nine months ended March 31 last the value works out at 47 cents a pound.

In this connection it should be noted that the gum chicle imported from Canada is not the product of Canadian trees, but is crude chicle that has first been imported into Canada (chiefly from British Honduras and Mexico) and then, after certain cleaning and refining processes, has been exported to this country. It might further be remarked that Canada is itself a not unimportant user of chicle, 1,905,533 pounds of crude gum having been entered for home consumption in the Dominion in 1916.

## COST OF LIVING INCREASES.

Another increase in the cost of living during the later half of May and the first half of June is recorded in the Labor Gazette, Ottawa, which has just been published. In retail prices, the average cost of a weekly family budget of 29 articles of food averaged \$11.89 in sixty cities at the middle of June, as compared with \$11.82 at the middle of May and \$8.51 in June, 1916. Milk, butter and flour were lower in price in June, but eggs, meats, rice and other commodities showed increases in price. Coal and wood were also dearer.

In wholesale prices the Labor Department's index number for 272 commodities stood at 242.7 for June, as compared with 240 for May, 183.6 for June, 1916, and 185.3 for June 1914. The chief increases in wholesale prices during the month were in fruits, vegetables, textiles, metals, coke and miscellaneous building materials. Decreases occurred in grains, dairy products, fresh fish and some other foods.

# COMMODITY MARKETS

## Week's Wholesale Review

The conditions in the wholesale trade are very fair for the season of the year, and an average amount of business is being done.

The Dominion Textile Company has given note of an advance in price of spring prints. Dry goods travellers still report a good volume of orders.

An increase of 15c. per lb. in the price of all grades of sugar was announced by two of the refineries, making standard granulated \$8.20, the exact price of two years ago at the same date. The provision market has been fairly active, the flour market dull, with prices barely steady.

Local prices for eggs went up 2 cents per dozen. Butter prices remained steady, while cheese prices advanced slightly. The new vegetables have arrived, and prices for fruits and vegetables are lower. Strawberries were very plentiful last week, and the dealers bought large quantities.

Prices in hides advanced 1½ cents per lb., and calf skins 3 cents, and the market for leather developed a better tone.

## LIVESTOCK.

MONTREAL: The offerings at the sales last week amounted to 1,660 cattle, 1,775 sheep and lambs, 2,400 hogs and 2,650 calves. On Monday, at the West End market, a weak feeling developed in the market for all grades of cattle, and prices showed the somewhat sensational decline of \$1 per 100 lbs. The decline in price was the natural result of the lower prices prevailing at other Canadian centres at the end of the previous week. The offerings were large, but butchers and packers influenced by the warm, sultry weather, and the fact that many people were out of town, made only limited purchases even at the lower prices.

The market for small meats showed no change, supplies of sheep and lambs were larger, and of better quality than has recently been the case, the demand being brisk, prices remained steady. The trade in calves was active, and prices were maintained. On Monday the tone of the market for hogs was strong, and prices scored a further advance of 25c. per 100 lbs., and as the demand from packers was good, a brisk trade was done, but on Wednesday prices declined again 25c. per 100 lbs. in sympathy with the weakness at other Canadian centres. Trade at the reduced prices was good.

TORONTO: The offerings at the two yards this week amounted to 4,244 cattle, 1,086 sheep and lambs, 6,268 hogs, and 857 calves. The Toronto markets showed more activity last week, and by Thursday prices of the best cattle had increased from 15c. to 20c. per 100 lbs. In small meats trade was decidedly strong, and choice calves again sold as high as \$15.50, but prices ranged all the way from \$10, according to quality. The demand for sheep and lambs was brisk, and they brought as much as 50c. more than the previous week, sheep selling for from \$8 to \$9.50, and spring lambs from \$16 to \$17. Hogs went down to \$16.25, and sold at a decline of 50c. on the previous week's closing quotations, and dealers express the opinion that hogs will go lower in the course of the present week.

	Per Cwt.	
	Montreal.	Toronto.
Butchers' steers, per 100 lbs.		
Do., choice .. . . .	11.00	11.25
Do., good .. . . .	10.50	10.75
Do., medium .. . . .	10.00	10.50
Do., rough .. . . .	8.50	8.75
Butchers' Cows.		
Do., choice .. . . .	9.50	10.00
Do., good .. . . .	9.00	9.25
Do., fair .. . . .	8.00	8.25
Bulls, choice .. . . .	9.50	10.00
Do., good .. . . .	8.50	8.75
Do., fair .. . . .	8.00	8.25
Canners' cattle.		
Do., bulls .. . . .	6.00	6.25
Do., cows .. . . .	4.25	5.50
Sheep and Lambs.		
Lambs .. . . .	7.50	9.00
Spring Lambs, each	9.00	11.00
Calves, good .. . . .	9.00	10.00
Do., choice .. . . .	11.00	12.00
Hogs, good .. . . .	16.50	16.25
Do., choice selects .. . . .	16.75	17.00
Do., heavyweights .. . . .	15.75	16.00
Sows .. . . .	14.00	14.25
Stags .. . . .	10.50	11.25

## PROVISION MARKET.

The receipts of provisions in Montreal for the week ending July 14 amounted to 32 packages of lard, 65 boxes of hams, and bacon, and 1,756 packages of tinned meats.

As is usual at this time of the year, the demand in the hog market last week was very slight, and business was quiet, with no change in price. The demand for smoked meats has been slow in contrast to the demand for cooked meats, which has been brisk. The market for lard was active, with demand greater than the supply, and prices showing a tendency to rise.

	Per lb.
Hams:—	
Smoked Hams, 8-10 lbs. ....	0.30
Do., 12-15 lbs. ....	0.29
Do., over 25 lbs. ....	0.28
Bacon:—	
Breakfast .. . . .	0.35
Windsor Bacon, selected .. . . .	0.37
Windsor Bacon, boneless .. . . .	0.38
Barrel Pork:—	
Short cut pork .. . . .	40.70
Pure Lard:—	
Pure lard in tierce .. . . .	0.25
20 Lb. pails .. . . .	0.24½
Compound Lard:—	
Western Grades:—	
Tubs .. . . .	0.20½

## BUTTER.

The receipts of butter, in Montreal, for the week ending July 15th, amounted to 14,813 packages, as compared with 17,717 packages for the week ending July 7, and 17,937 for the same week last year. The total receipts May 1 to July 14, 1917, amount to 140,119 packages, as against 164,931 packages for the same period last year. A normal business was done in a wholesale jobbing way on the butter market last week, with prices a little firmer for some grades. Export business was quiet. Lower prices are predicted for the near future.

At Gould's Cold storage there were 600 packages offered on Friday, which sold at 35c. to 35½c. per lb. f.o.b. country points. One lot of 400 packages selling at 35½c.

We quote prices as follows:

Finest creamery .. . . .	0.36	0.36½
Fine creamery .. . . .	0.35	0.35½
Finest dairy .. . . .	0.30½	0.31½
Fine dairy .. . . .	0.29	0.29½
Lower grades .. . . .	0.27	0.28

## CHEESE.

The receipts of cheese in Montreal, last week, amounted to 96,124 boxes, as compared with 87,666 boxes for the previous week, and 92,204 boxes for the same week last year. The total receipts since May 1st to July 14th, 1917, amounted to 623,968 boxes, as against 801,347 boxes for the same period in 1916, showing that local receipts for the week ending July 14th, were 2,904 fewer than for the previous week, and 3,124 fewer than for the corresponding week last year, while since May 1st, 1917, the receipts have shown a falling off of 177,399 boxes.

The Government fixture of the price of cheese remains unchanged both here and in England, and the market remains very quiet. Exporters and middlemen pay as much as 21c. to 21 3-16c. per lb. to the farmer, and receive from the Cheese Commission or the trade 21½c. per lb. f.o.b. steamer.

At Gould's Cold Storage on Tuesday there were between 7,000 to 8,000 boxes offered, and prices ruled ¼c. to ⅓s. per lb. lower than on the preceding Friday, which was due to the fact that the quality of the goods in some cases was not up to the mark. At the above reduction there was a steady demand and all sold at 20½c. per lb. f.o.b. country points.

The following are the prices being paid by the commission:

No. 1 western and eastern cheese .. . . .	21½c
No. 2 western and eastern cheese .. . . .	21¼c
No. 3 western and eastern cheese .. . . .	20¾c
Lower grades .. . . .	20¼c

## AT THE COUNTRY DAIRY BOARDS.

At the Eastern Townships Dairymen's Exchange, a small lot of cheese was offered this week, and sold at 20½c. against 20½c. last Saturday, while at St. Hyacinthe the price fetched showed a decline of ¼c.

St. Pascal.—Ninety-five boxes of butter sold at 35 9-16c, and 823 boxes of cheese at 21½c.

Cowansville.—All the offerings of butter were sold at 35½c per lb., as compared with 33½c this day last week. A year ago 1,266 packages were offered and sold at 28½c to 28¾c per lb.

St. Hyacinthe.—The offerings amounted to 1,000 packages of butter, and 1,200 boxes of cheese. The butter sold at 36c per lb., and the cheese at 21½c., as against 32c and 20½c a week ago. At this date last year 100 packages butter sold at 28½c and 950 boxes cheese at 14c.

Belleville.—2,352 boxes of white were offered. All sold at 21¼c.

London.—Six factories boarded 905 boxes. Three hundred and eighty-five boxes sold at 21c.; balance unsold.

Vankleek Hill.—There were 1,655 boxes of white and 60 colored cheese boarded and sold. Price paid for both kinds was 21 5-16c.

Iroquois.—1,140 boxes were boarded, 970 colored and 170 white. All were sold at 21½c.

Cornwall.—The offerings were 3,289, of which 2,910 were white and 379 colored. All sold at 21 5-16c. The price for the corresponding week last year was 14 11-16c.

Madoc.—There were 525 boxes of cheese boarded. All sold at 21 3-16c.

Perth.—There were 1,700 boxes of cheese and 12 boxes of butter on the market, the cheese all selling at 21 5-16c., and the butter at 31c.

Picton.—At the cheese board 2,150 boxes of cheese were boarded. All sold at 21 3-16c.

Listowel.—At the Dairymen's exchange eleven factories boarded 770 white.

Kingston.—At the cheese board 740 boxes of white and 130 colored were boarded. Six hundred sold at 21c.

Campbellford.—585 boxes of white cheese offered. All sold at 21¼c.

Stirling.—790 boxes were offered. All sold at 21 3-16c.

Alexandria.—981 boxes of white cheese offered on the board sold at 21¼c.

Cowansville.—At the Eastern Townships Dairymen's Exchange 1,195 boxes of butter were sold at 35½c., and 28 boxes of cheese were sold at 20½c.

St. Hyacinthe.—1,250 boxes of cheese boarded and sold at 21c. No butter offered.

London.—Seven factories offered 907 boxes. Sales, 567 boxes at 21c.

Belleville.—2,450 boxes of white were offered. Sales, 670 at 21 5-16c.; 1,100 at 21¼c.; balance refused at 21¼c.

## RECEIPTS OF BUTTER AND CHEESE.

The following table shows the receipts of butter and cheese in Montreal for the week ended July 14, 1917, with comparisons:

	Butter,	Cheese,
	pkgs.	boxes.
Week ended July 14, 1917 .. . . .	14,813	96,124
Week ended July 7, 1917 .. . . .	17,717	87,666
Week ended July 15, 1916 .. . . .	17,937	92,204
Tot. receipts May 1 to July 14, 1917	140,119	623,968
Tot. receipts May 1 to July 15, 1916	164,931	801,347

## COUNTRY PRODUCE.

The receipts of eggs in Montreal for the week ending July 14th amounted to 5,016 cases, as against 4,977 cases for the week ending July 7th, and 16,538 cases for the same week last year, showing a falling off of 11,522 cases. This year's receipts to date are 55,123 cases below those for the corresponding period a year ago.

There were no developments in the egg market until Saturday, when a firmer feeling developed, and prices increased 2 cents per dozen. There was a good export business, due to the falling off in production in England and Ireland. The local supply was greatly decreased owing to the fact that the farmers are storing their eggs for higher prices. There was only a limited demand from local buyers for small lots to fill actual wants.

Current prices are as follows:

Strictly new laid .. . . .	0.00	0.42
Selected eggs .. . . .	0.00	0.40
No. 1 candled stock .. . . .	0.00	0.37
No. 2 candled stock .. . . .	0.32	0.34

BEANS.

The tone of the market for beans remains firm, although very little business is being done.

Current prices are reported as follows: Canadian five-pound pickers, Rangoon beans, Japan beans, Yellow-eye beans.

MAPLE PRODUCTS.

The home consumption of maple products remains slight, but there is a good demand for syrup for export to England at reasonable prices.

Current prices are reported as follows: Extra choice syrup, Choice syrup, Good syrup, Lower grades, Maple sugar.

HONEY.

There is no change in the honey market. Prices remain steady, but very little business is being done.

Prices rule as follows: White clover, Brown clover, White extracted, Brown extracted, Buckwheat honey.

THE GRAIN MARKET.

Prices in the cash wheat market have been going steadily upwards for the past few days and the tone of the market has been steady.

Grains: Spring Wheat, Northern No. 1, Do., No. 2, Do., No. 3, Do., No. 4, Do., No. 5, Do., No. 6, Feed, Oats, No. 2 C. W., Do., No. 3 C. W., Do., Extra No. 1 feed, Do., No. 1 feed, Do., No. 2 feed, Barley, No. 4 C. W., Rejected, Do., feed, Flax, No. 1 N.W.C., No. 2 C. W., No. 3 C. W.

RECEIPTS OF GRAIN IN WINNIPEG.

The receipts of grain in Winnipeg for the week ending July 13th, 1917, were:

Table with columns: Grain type, Week end. July 13, 1917, Week end. July 7, 1917, Same date last year.

LOCAL FLOUR MARKET.

Trade on the local flour market was very light last week country buyers being practically lowest and export buying dead.

market remained dull with choice patents closed at \$12.75 in wood delivered to the trade.

ROLLED OATS AND MILLFEED.

The tone of the market for rolled oats remains very firm although business is quiet. With only odd sales of broken lots of standard grades at \$4.40 to \$4.50 per bag of 90 lbs.

Prices follow: Flour: First patents, Second patents, Strong clears, Cereals: Rolled Oats, Feeds: Bran, Shorts, Middlings, Moulie, pure grain grades.

RECEIPTS OF GRAIN AND FLOUR.

The receipts of grain and flour in Montreal for the week ending July 14 were:

Table with columns: Grain type, Receipts.

LOCAL STOCKS OF GRAIN IN STORE.

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

Table with columns: Grain type, July 14, 1917, July 7, 1917, July 12, 1916.

SUGAR.

The sugar market is in a changing condition several sugar refineries having advanced the prices of all refined sugars 15c. per 100 lbs.

The demand for sugar, which always accompanies the preserving season, has not reached its full strength yet, but doubtless will now that the fruit is ripening.

The firmness in sugar on the New York market is attributed to the fact that Great Britain has been buying on a large scale.

Current prices are as follows: Atlantic and St. Lawrence Sugar Companies, extra granulated sugars, Acadia Sugar Refinery, Canada Sugar Refinery, Dominion Sugar Co., Special Icing, Diamond Icing, Yellow, No. 1, Yellow, No. 2, Yellow, No. 3, Powdered, Paris lumps, Crystal diamonds, Assorted tea cubes, Cut loaf, Cut leaf.

For deliveries in Montreal City district add 5c. to above refinery price if purchased through wholesalers.

For 50-lb. and 25-lb. bags add 10c. per 100 lbs.; for 20-lb. bags add 15c. per 100 lbs.; for 10-lb. bags add 20c. per 100 lbs.;

SMART WOODS LIMITED CANADA

Manufacturers of

Jute and Cotton Bags, Tents, Clothing, Etc.

FACTORIES IN

MONTREAL, TORONTO, OTTAWA, WINNIPEG

TEA.

Owing to the scarcity caused by lack of tonnage, prices for all lines of teas are very firm and prices are now as much as 15c per lb. on black tea and from 3c to 5c per lb. on Japan teas in advance of the prices prevailing a year ago.

Table with columns: Tea type, Price.

CANNED GOODS.

Prices of canned show no advances this week although stocks of canned goods are everywhere reported to be very low.

STARCH.

An advance amounting to a quarter of a cent on Edwardsburg lines and half a cent on other lines is reported on starch.

FRUIT AND VEGETABLES.

Early vegetables are now arriving in good quantities, and prices are already much lower. Strawberries were very plentiful last week, and as prices were the lowest for the season, a big trade was done.

We quote current prices: Fruits: Strawberries, Oranges, Bananas, Grapefruit, Lemons, Melons, Apples, Apricots, Peaches, Plums, Pears, Bartlett's; Vegetables: Beans, Cabbage, Carrots, Cauliflower, Cucumbers, Horse Radish, Boston Lettuce, Onions, Potatoes, Parsley, Turnips, Tomatoes, Spinach; Dates: Halloweeds, "Dromedary"; New Nuts: Shelled Walnuts, Shelled Almonds, Pecans, Almonds, Walnuts, Peanuts, Brazils.

BUTTER AND EGGS IN STORE.

The stocks of creamery butter held here amount to 64,300 packages, and 1,750 packages of dairy butter. There are also 87,492 boxes of cheese.

## Food Monopoly in Canada

Report of the Cost of Living Commission—Sir Joseph Flavelle's Reply.

Mr. W. F. O'Connor, the Labor Department's Cost of Living Commissioner, after months' investigation of cold-storage companies in a report tabled in the House of Commons on Friday, July 13, states that the bacon industry will stand some explaining, being in a class-by-itself.

In concluding his report, the Commissioner gives his findings to the effect that there has been no illegal combination nor any excessive accumulation of goods on the part of the companies. There were, he says, "two individual cases of profiteering in 1916." Had they occurred since the passage of the cost of living order-in-council, he says, he would consider it his duty to recommend that the facts be laid before the Attorney-General for his consideration as to their criminality. He finds a tendency on the part of some companies to exact seemingly excessive margins on beef and butter. Whether these margins are excessive, he says, only a criminal prosecution or a declaration by the food controller as to what shall be a fair price or a fair margin, can determine. He considers that the profits of most companies on certain lines while not high as compared with before-the-war prices, might well be less. Their business has so enormously extended during the war period that the before-the-war margins of profit ought not to be considered fair tests of fair profits.

"My enquiries enable me to pronounce with emphasis," says that commissioner, "that there is no 'food trust,' and I have failed to discover any instance of the destruction of fit food. Again, there is nothing like combination among the various companies. There is lively competition instead. A few of the cold storage companies, however," adds the commissioner, "have so centralized the business in certain lines that, as respects particular commodities, particular companies are able to exercise a practical monopoly, especially of export business. In some instances this practical monopoly has been fairly administered; in others, concerning which I shall have to specifically report, it has not. As to the matter of over-accumulation, all the evidence is against it. The popular conception is unquestionably wrong. It is surely not open to contradiction that the reasonableness of the amount of stock in trade carried by a person, firm or company depends upon the volume of business transacted, by which I mean the turnover." Mr. O'Connor shows later in the report that in proportion to the expansion of business the quantities of goods held in cold storage on certain dates showed a decrease in 1916 as compared with 1915.

The commissioner points out that all food prices are ruling high. "As respects cold storage products," he continues, "it seems to me that extensive buying for export has contributed most to the advances in prices of cold storage commodities. The domestic price has followed the trend of export prices upward. And I humbly suggest that the figures will disclose that the Canadian farmer has not been blind to his opportunities. It will be noted that the cost to the various companies of the various cold storage commodities has been climbing and that a direct relation has been maintained between the cost to the companies and sale prices. In stating this I do not wish to be understood as stating that the relation has been invariable or as contending that there have not been cases of undue profit-taking. Quite the contrary, as will appear when I shall express an opinion concerning certain seemingly excessive charging, which in my judgment is none the less open to criticism, because for the most part the commodities affected were destined for export to Great Britain and the Allies overseas."

Canada's export trade in cold storage products, Mr. O'Connor states, is practically limited to four or five large meat companies and three or four export houses handling cheese and dairy products. "In the face of tremendous and insistent export demand," he says, "the matter of the prices payable by the companies to their vendors was one practically immaterial and seems to have been so regarded. The unfortunate domestic consumer, though living in a land of plenty, was thus constituted a competitive buyer as against a hungry world. Export prices reacted upon domestic prices and raised them until foodstuffs were selling, as they are, at prices ordinarily associated with periods of famine. The food consumer has suffered as a result; the food purveyor has not."

### OPERATIONS OF COMPANIES.

Mr. O'Connor's report is filled with tables showing the operations of the companies during the past four

years. He shows that the companies in 1916 purchased 46,561,063 pounds of butter at an average of 30.83 cents a pound; 76,806,324 pounds of cheese at 18.11 cents a pound; 28,122,683 dozen of eggs at 26.05 cents a dozen; 189,952,154 pounds of beef at 10.75 cents a pound; 158,848,834 pounds of pork at 15 cents a pound; 124,605,834 pounds of bacon at 15.76 cents a pound; 14,384,485 pounds of ham at 19.20 cents a pound; 13,609,605 pounds of mutton and lamb at 16.80 cents a pound.

They sold 43,867,729 pounds of butter at an average of 32.73 cents a pound; 72,638,890 pounds of cheese at 18.88 cents a pound; 26,410,119 dozen of eggs at 30.36 cents a dozen; 170,472,195 pounds of beef at 11.45 cents; 123,686,256 pounds of pork at 16.85; 151,309,429 pounds of bacon at 20.34 cents a pound; 14,390,367 pounds of ham at 21.32; 12,666,380 pounds of mutton and lamb at 17.41 cents a pound. The margins between purchase prices and selling prices were thus: Butter, 1.98 cents a pound; cheese, .77 cents a pound; eggs, 4.31 cents a dozen; beef, 70 cents a pound; pork, 1.85 cents a pound; bacon, 4.58 cents a pound; ham, 2.11 cents a pound; mutton and lamb, 61 cents a pound.

Mr. O'Connor is careful to explain that by the word "margin" he means the gross profit on a commodity from the time it is laid down, all costs and expenses paid, in the storage warehouse. It is thus the difference between the cost price and the selling price and includes cost of storage, loss, interest on investment, overhead charges and any other expenses from the time the commodity enters the warehouse until it reaches the purchaser. He indicated the "margins" on commodities for export during the year as follows: Butter, .57 cents a pound; cheese, .43 cents a pound; eggs, 6.56 cents a dozen; pork, 2.37 cents a pound; bacon, 2.68 cents a pound; mutton, .01 cents a pound.

On beef there was an apparent loss of .81 cents a pound and on ham an apparent loss of 2.38 cents a pound.

The explanation was that much of the beef and ham was purchased in 1915, when cold storage costs were less than those of 1916.

On goods for home consumption the "margins" were: Butter, 2.35 cents a pound; cheese, 2.52 cents a pound; eggs, 3.79 cents a dozen; beef, .50 cents a pound; pork, 2.13 cents a pound; bacon, 3.09 cents a pound; ham, 3.73 cents a pound; mutton and lamb, .59 cents a pound.

Coincidentally prices charged by the companies increased as follows: Butter 5.61 cents a pound; cheese 5.65 cents a pound; eggs 5.43 cents a dozen; beef, 1.43 cents a pound; pork 2.38 cents a pound; bacon 2.25 cents a pound; ham 2.40 cents a pound; mutton and lamb 4.06 cents a pound.

The Commissioner considered that an unjustifiable profit is being made on bacon of which sales by the companies since 1913 have increased twelve fold. The disproportionate increase received by the companies for eggs and bacon, he says, would be justified if storage costs had correspondingly increased. But he says, the figures submitted by the various companies for the last four years do not evidence a sufficient rise in storage costs to bridge the gap. The rise in the price of bacon in 1916 he finds was clearly the result of a practical monopoly brought about by a huge and unprecedented export trade demand.

He points out that the domestic prices for eggs, bacon and pork have ruled lower than export prices, but generally he declares "we have been paying more for most of our food for domestic consumption than the Allies to whom we are exporting. This is not the result of patriotism, but something far different."

Mr. O'Connor says that there is a danger of over-centralization of control of foodstuffs, pointing out that an amalgamation of three or four of the largest dealers might secure control of more than half of the total quantity of a specific commodity which passes through cold storage. He deals at length with the operations of eleven of the largest cold storage companies in Canada in 1916. For instance two Montreal firms handled fifty million out of seventy-two million pounds of cheese sold by all the cold storage companies of the country and three companies sold 70,500,000 pounds.

Three companies sold 53 per cent. of the total storage output of eggs. Seven abattoirs sold 124,000,000 out of 170,000,000 pounds of beef and four of them sold 113,000,000 pounds.

### DAVIES CO. BACON PROFITED.

One company No. 9 (which is understood to be the William Davies Company) sold 97,000,000 pounds of bacon out of a total of 151,000,000 at a margin of

5.05 cents a pound. Companies No. 9 and 5 sold 140,000,000 out of the 151,000,000 pounds.

The total exports from all Canada according to the Trade and Commerce returns were in 1916, 169,000,000 pounds.

Four companies exported 85 per cent. of the butter sent out of the country by the cold storage concerns.

Turning to the question of margins in certain instances, the commissioner says that company No. 9 sold 566,505 dozen eggs with a "margin" of 7.27 cents a dozen. Certain other Ontario cold storage companies sold eggs at a margin of 5 to 5.5 cents a dozen. The average margin of all companies, with the exception of No. 9 was 3.6 cents, and this, in view of the enormous turnover, Mr. O'Connor says would seem excessive.

Speaking of the sale of 97,000,000 pounds of bacon by company No. 9, with a margin of 5.05 cents a pound, the commissioner points out that the margin of the same company in the previous year was 3.67 cents on 57,500,000 pounds. There is, he says, no evidence of corresponding increase in storage or other costs. The margin of 3.67 cents was sufficient, satisfactory and profitable in 1915. "Why not in 1916?" he asks. Company No. 5 again in 1916 sold 42,500,000 pounds of bacon at a margin of 3.56 cents a pound.

Sir Joseph Flavelle President of the Wm. Davies Co. sends us the following:

TORONTO, Ont., July 13th, 1917.

The Journal of Commerce, Montreal, Que.:

The following telegram has been sent by the President of the William Davies Co., Limited, to Sir Robert Borden, Prime Minister for Canada, with respect to a statement published by the Department of Labor concerning the business of the William Davies Co., Limited, July 13, 1917:

Sir Robert Borden, P.C., K.C.M.G., Prime Minister, Ottawa. The statements given to the press by the Department of Labor, and which appear in the morning papers covering the business of the William Davies Company are grotesquely untruthful both in the mass and in detail. They evidence a curious mixture of ignorance and malice. I deeply regret the injustice of this attack. I regret it naturally on personal grounds, but even more on public grounds, bitterness and anger and suspicion are being stirred up against public men, against labor and capital and corporations which, in many instances have no better support than flippant impudence and ignorance. The pity of it in this case is that an authoritative statement was available and was not consulted. The Department of Finance is furnished with a balance sheet and profit and loss sheet annually of each firm in Canada given under the provision of the Business Tax Measure.

The statement of the William Davies Co., Limited, is and must continue to be furnished to the Department of Finance. These statements are not only audited on behalf of the company, but are verified by the accountant of the Department of Finance and are final in authority. The Department of Labor could have consulted these statements and could have procured such further information as they might have desired by application to the general manager of the company and could thus have avoided the grave injustice of an attack based upon absurdly untruthful statements. During its entire history, the Williams Davies Co. has sought for no trade advantage or profit other than could be secured through the diligence and attention to its business if much volume of business has been secured in contrast to others it has been secured in open competition free from combination or arrangement or understanding with other packers or merchants. The company offered to the Imperial Authorities at different periods since the outbreak of the war to operate to its capacity in bacon products, canned meat products and pork and bean products, on a cost and percentage basis, but each time the offer was declined, first for bacon and later for canned meats and pork and beans. The Imperial Authorities expressed the desire to purchase in the open market. All army purchases of bacon are made in London. All army purchases of canned meats and pork and beans are made in Canada. Both are made in open and untrammelled competition with the world. The world during the period of the war is confined to the United States, the Argentines, Canada, Australia and New Zealand. If it is wrong to secure a share of this and other business under these competitive conditions, the company has been guilty of such wrong and of no other.

As the statement was issued by the Department of Labor I ask you to take such steps as you may think necessary whereby the truthfulness or untruthfulness of these statements can be established.

J. W. FLAVELLE, PRESIDENT,

The William Davies Company, Ltd.

## The Grand Trunk Railway

Chairman Smithers Replies to the Recent Commission Report—What the Grand Trunk Has Done and What it Has Received.

MONTREAL, July 9.

To the Editor of The Journal of Commerce,

Mr. Chamberlin, the President of the Company, has already issued a statement to the press containing facts and figures which go far to refute the conclusions arrived at by the Majority Report of the Railway Commission, a report which undoubtedly was likely to injure the credit and do a great injustice to the Grand Trunk Railway Company at any time, but infinitely more likely in the midst of a great crisis caused by the most terrible war in history. It has been strongly urged on me by influential people in Canada, not railway men, that Mr. Chamberlin's reply appeals to the man of technical knowledge, but that a more general statement as to the position of the Grand Trunk and what it has done for Canada is necessary to enable the people at large to judge of the injustice done, however unintentionally, to the Grand Trunk Company.

The Grand Trunk Railway was commenced in 1853, and built by British labor, British engineers and British capital. Every yard of rail, every bit of metal required for the bridges, the locomotive stock and the rolling stock all came from England. It is almost impossible to realize now the primitive state of things existing at that time or to over-estimate the skill and resource shown by the first directors of the company in overcoming unexpected obstacles entirely out of the company's own resources. Stress is only laid on all this to show how truly the name of the "Pioneer Railroad of Canada," as applied to the Grand Trunk, can be justified. British capital commenced it, British capital built it, and British capital has maintained it until the present day.

The company have had to meet the many and continued improvements that have been introduced in railway management during the last sixty-five years. Since the present board took office in 1895, every bridge on the system has been rebuilt, including the bridge over the St. Lawrence. The present magnificent structure provides a double track line and also a line for the Montreal & Southern Counties Railway, and a roadway for vehicular traffic in place of the single tubular bridge built by Robert Stephenson. A new single arch double track bridge has also been built over the Niagara River to replace the old Suspension Bridge. The International Bridge at Buffalo has also been rebuilt, a portion of it being double tracked. One thousand, one hundred miles of lines have been double tracked, heavier rails have been put down, engines of ever increasing power have been built, and new and larger passenger and freight cars have been continually provided. The line from Montreal to Toronto and Chicago has been double tracked and laid for the greater part with one hundred pound rails, thus enabling, with the rebuilding of the bridges, the most modern and powerful locomotives to be used. The speed, safety and comfort with which travellers are conveyed on the important route will compare favorably with any railway of the continent. A new station has been built at Ottawa, and the "Chateau Laurier," the company's new hotel, is universally acknowledged as a great benefit and improvement to the Capital. The company, in conjunction with the Canadian Pacific, is building a new and important station at Toronto. In addition, the innumerable requirements of modern railway management have been assiduously cared for throughout the system.

In the sixty-five years of the company's existence it has never defaulted on its fixed charges, notwithstanding that in that period a great number of the American railways have several times been in bankruptcy and that in 1895, when the present board took office, nearly half of the American roads were then in the hands of receivers; it has maintained its standing on the London market, thus being able to finance on its own credit the many and various requirements demanded by the people of Canada. That the credit of the Grand Trunk Company stands high in the London market may be gathered from the fact that it was able, with the consent of the British Treasury, to raise in June, 1915, in the midst of war on unaided Grand Trunk credit, the sum of twelve million, five hundred thousand dollars in five hours, and that on the day on which that operation was carried out, the Germans were bombarding Scarborough on the Yorkshire Coast, and telegraphic communication was stopped for several hours between London and the North of England. With regard to the criticism as to undue payment of dividends, the Grand Trunk common stock, of which over thirty million dollars represents actual cash, has never received a dividend, and its preference stock have only

had their dividends paid intermittently from year to year as the earnings justified.

The increase in Grand Trunk capital raised in London since the present board came into office amounts to nearly \$150,000,000, which was all raised at a little over four per cent. It is not too much to say that if this money had been raised in New York it would have cost at least 1 per cent per annum more, and would have resulted to-day in a total extra liability for fixed charges of near \$1,500,000 per annum. The Grand Trunk capital at present amounts in round figures to \$430,000,000, practically the whole of which is held in Great Britain.

Over this period of sixty-five years, during which the Grand Trunk Railway has been serving the ever-growing needs of Canada, the total assistance received from the Government of Canada has been only \$23,000,000, of which about \$12,000,000 represents bonuses given by municipalities to aid in the construction of lines subsequently acquired by the Grand Trunk, and of which this company really never got the benefit. This compares according to the Majority Report of the Commission with \$347,000,000 received by the Canadian Pacific in thirty-five years, of which amount \$119,000,000 represents the value estimated by the company of the lands still unsold, and \$228,000,000 received by the Canadian Northern in fifteen years, and \$114,000,000 received by the Grand Trunk Pacific in fifteen years.

In 1903, Mr. Hays, was anxious to open up connection with the Northwest, and proposed to build a line from North Bay to Winnipeg and the Pacific Coast. The Government of that day on being approached wished, however, to build a second trans-continental line, taking in Quebec, and proposed that a line should be built from Moncton, connecting therewith from Halifax and St. John, by the Intercolonial Railway, through Quebec, and the northerly part of Ontario, to Winnipeg, Edmonton and a port on the Pacific Coast.

In 1903 and 1904 bills were introduced into Parliament to carry out this project. The Government undertook to build the line from Moncton to Winnipeg, to be called the Transcontinental, and the Grand Trunk Company, with the assistance of the Government, to build the line from Winnipeg to the Pacific Coast, to be called the Grand Trunk Pacific Railway. The Grand Trunk Pacific was to be divided into two portions: the Prairie Section, extending from Winnipeg to a point 120 miles west of Edmonton; the Mountain Section, to extend from that point across the Rockies to Prince Rupert on the Pacific. The estimated cost of the Prairie Section was \$20,000 per mile, of which the Government were to guarantee bonds up to \$13,000 per mile. They were also to guarantee bonds on the Mountain Section up to three-fourths of its actual cost, which were to be free of interest to the company for seven years from the date of completion of the line.

The effect of this extensive railway building, in addition to that undertaken by the Canadian Pacific Railway and the Canadian Northern Railway, was to produce a state of great general prosperity, and huge speculation in real estate grew up all over the country. This state of prosperity and the speculation consequent on it raised the price of land, labor and materials, and thus the cost of building the Grand Trunk Pacific was increased far beyond the amount estimated when the Acts of 1903 and 1904 were passed. The causes of the increase were obviously beyond the control of the company. This increased cost has brought both the Grand Trunk Pacific and Canadian Northern Railway into financial difficulties, which have been aggravated by the effect on the money markets of the world of the terrible war now raging in Europe. Notwithstanding that the position is at present one of difficulty, it is some satisfaction to remember that all the great lines, with one exception, that have opened up new territory to the Pacific on the North American continent, even in times of peace, have always been ahead of requirements and have passed through periods of financial difficulty. The reassuring fact to remember is the rapidly with which in nearly every case the development of the country has overcome the critical period and justified the assistance given. The Government of the day, some thirty-five years ago, assisted the Canadian Pacific in their vital crisis with conspicuous success. The Majority Report of the Royal Commission now proposes that the Canadian Northern should be taken over by the Government and relieved of all its liabilities, but does not propose

to apply the same method to the Grand Trunk Pacific, which has received far less assistance than any other road. The commission proposes that, in consideration of the Grand Trunk Pacific being taken over by the Government, the old Grand Trunk, as one of the parties to the construction of the Grand Trunk Pacific, should be surrendered to the Government on terms amounting to the semi-confiscation of the rights of British stockholders. In other words, they suggest that the Pioneer Railway of Canada, which out of its own resources, has rendered far more service to Canada than any other railway, should be the only railway to be treated in this unjust way, a way certainly unprecedented in the history of Canada. In addition to having carried the largest traffic in its history during the last year, the Grand Trunk, at the request of the Government, has undertaken considerable orders for munitions, and the work has received high approval. With such a record after nearly three years of war, was it right or just that a report should be issued which must, if it was believed, have seriously hurt the credit of a great company?

Anyone reading the Majority Commission Report will find, so far as the Grand Trunk is concerned, no reference to the fact that we are in the midst of the greatest war in history, that in consequence of the demands of that war, it has been impossible to obtain adequate supplies, coal, engines, rolling stock or rails, and that by common consent Canada has just passed through one of the severest winters in its history. The officials of the company are prepared to substantiate the fact that the congestion on the Grand Trunk Railway was less than on the American railways on the frontier, and on the other Canadian railways, and that notwithstanding the congestion the company carried in that time the biggest traffic that it has ever carried. As one proof of the difficulty to obtain material, 20,000 tons of rail were due to be delivered to the company in May, 1916, but up to date only 2,500 tons have been delivered, and the company has had to make a special and urgent appeal to the Canadian Government to allow the mills to suspend the manufacture of steel for munitions for the purpose of rolling five thousand or six thousand tons of rail to take care of immediate requirements. Locomotives have been ordered at prices varying from \$45,000 to \$50,000, or more than double the cost prevailing before the war, and freight and coal cars at an even greater price. It is almost, if not quite impossible, for people who are on the outside of practical railway management to realize the difficulties that have to be continually faced under modern conditions. This was true in pre-war time. It is doubly true to-day, not only in the financial and other ways I have mentioned, but also in the increasing demands arising from the war, such as the carrying of troops, munitions and war supplies of all kinds, and above all this, the loss of the services of the large number of the company's men who have nobly volunteered for service at the front. Nothing has been more vital in the prosecution of the war than the wonderful work of the railways. Nowhere has more devoted service been given than by the officers and men of the railways in Canada, Great Britain and France. I am sure adverse criticism of railway management at the present time can only be made by those possessing a very imperfect knowledge of the situation which the railways have had to face during nearly three years of unexampled war conditions.

I have tried to make a plain and straightforward statement in defense of the interests which I have the honor to represent. We are all experiencing a time of extraordinary stress and difficulty, and I have omitted many arguments which, while they would have brought more clearly before the people of Canada the strength of the Grand Trunk case, still might have created annoyance or ill-feeling in some quarters, which in the unprecedented conditions now existing in Canada and the world it is a patriotic duty to avoid. I wish here to express my gratitude to the many people in Canada who have expressed their sympathy with the Grand Trunk, and to the great majority of the Canadian press for its sympathetic attitude towards the Pioneer Railway of Canada. In conclusion, I beg to publicly express to the officers and staff of the Grand Trunk Railway the board's appreciation and my own of the loyal devotion and work which they have displayed during a period of many and great difficulties, and I beg, respectfully, to assure the people of Canada, in the name of everyone connected with the Grand Trunk Railway, that we highly appreciate the kindly feeling and sympathy that has been shown to us and to assure them that our efforts in the future, as in the past, will be to render them every service in our power.

Yours faithfully,

ALFRED W. SMITHERS,

Chairman.

**CANADIAN MAIL SUBSIDIES.**

The total amount of mail subsidies and steamship subventions to Canadian shipping asked for for the fiscal year ending March 1, 1918, is \$2,630,734, according to the report of the Department of Trade and Commerce, just received. In addition to this two payments, aggregating \$321,666, for services between Canada and China and Japan and between Canada and France are authorized by statute. Of the amount asked, \$1,844,166 is for Atlantic services, and \$487,142 is for Pacific services, leaving something less than \$300,000 to be distributed among companies operating various local services.

The payments, which are on the same basis as those authorized during the fiscal year ended March 31, 1917, are apportioned by trades as follows:

Atlantic Ocean.	
Annapolis, London or Hull . . . . .	\$ 5,000
Canadian Atlantic ports and Australia and New Zealand . . . . .	140,000
Canada and Great Britain . . . . .	1,000,000
Canada and Cuba . . . . .	25,000
Canada and Newfoundland . . . . .	70,000
Canada, the West Indies and South America . . . . .	340,666
Canada and South Africa . . . . .	146,000
Halifax, St. John's, Nfld., and Liverpool . . . . .	20,000
Montreal, Quebec and Manchester (in summer) and St. John, Halifax and Manchester (in winter) . . . . .	35,000
St. John, Dublin and Belfast (winter) . . . . .	7,500
St. John and Glasgow (winter) . . . . .	15,000
St. John, Halifax and London . . . . .	25,000
Pacific Ocean.	
Canada, Australia or New Zealand, or both (Pacific) . . . . .	180,509
Canada, China and Japan . . . . .	253,333
Prince Rupert and Queen Charlotte Islands . . . . .	16,000
Victoria and San Francisco . . . . .	3,000
Victoria, Vancouver and Skagway . . . . .	12,500
Victoria and West Coast Vancouver Island . . . . .	5,000
Vancouver and Northern ports of British Columbia . . . . .	16,800

The contracts for the various services are distributed as follows:  
From Canadian Atlantic ports to Australia and New Zealand, for which the subsidy asked is \$140,000, the service is in the hands of the New Zealand Shipping Company, Ltd. Monthly sailings of steamers of 7,000 tons cargo capacity, carrying mails, are required to earn the full amount of subsidy. Since 1915 the service has been irregularly maintained under orders in Council.  
The Canadian Pacific Ocean Services, Limited, has the contract for the service between Canada and Great Britain, subsidy of \$1,000,000. It may be

**T. S. Ry. STRIKE SETTLED.**

The Toronto Street Railway strike was declared off on Thursday night. The employees accepted an offer of 6 cents an hour increase and a board of conciliation, instead of arbitration under the Lemieux Act, to pass upon the entire agreement desired by the men. Service commenced at noon Friday after two days of complete tie-up.

**BUDGET OF SOUTH AFRICAN RAILWAYS.**

The estimates of the expenditures of the main services of the South African railways during the year ended March 31, 1918, are given at \$50,815,000 and the revenues at \$66,927,000. The expenditures of the subsidiary services are estimated at \$2,431,000 and the revenues at \$2,361,000. In the main services the revenue from freight and minerals other than coal is estimated at \$29,177,000; from coal, \$15,574,000; from live stock, \$2,372,000; and from the passenger service, \$16,310,000.

**\$15,000 RETURNED TO THE GOVERNMENT.**

Sir Henry Drayton, chairman of the Dominion Railway Board, has returned to the Government a cheque for \$15,000, which was sent to him in payment for his services as a member of the Drayton-Acworth-Smith Commission, which investigated the Canadian railway situation.

In the letter which accompanied the cheque Sir Henry said he could not accept such a payment in the present time of stress and war. He asked that his services as a member of the Royal Commission be regarded as a contribution to the country.

pointed out that the full subsidy has not been earned, and that during the war the amount paid has fallen off considerably.

The contract for mail services between Canada, the West Indies and South America, subsidy authorized \$340,666.66, is held by the Royal Mail Steam Packet Company, which earned the full amount in 1916.

Between Canada and South Africa the contract for monthly mail steamers is in the hands of Elder Dempster Shipping Company, Ltd. Since the beginning of the war the full amount of subsidy has not been earned, \$121,600 being paid last year.

**WEEKLY SHIPPING LOSSES.**

The sinking of fourteen British merchantmen of more than 1,600 tons is reported in the weekly summary of shipping losses, issued last week. Three merchantmen of less than 1,600 tons, and seven fishing vessels also were sunk. The official summary follows:

"Arrivals, 2,898; sailings, 2,798.  
"British merchant ships sunk by mine or submarine, over 1,600 tons, including one previously, fourteen, under 1,600 tons, 3.  
"British merchant ships unsuccessfully attacked, including four previously, seventeen.  
"British fishing vessels sunk, including one previously, seven."

The preceding report gave the sinking of fifteen vessels over 1,600 tons, and five under that size. In the two earlier periods the totals were respectively 28 and 32. This compares with the sinking of 40 large merchantmen in one week, and 38 in another at the height of the campaign in April. In the week ended April 21, 55 vessels in all were sunk.

The naval editor of the Times, commenting on the summary of last week's shipping losses, writes:

"On the whole, this return in some ways is more satisfactory than many that have been issued, for it shows that the struggle between the U-boats and the mercantile marine has not become more intense. For two months the total reached is in the neighborhood of 60 vessels. These are vessels of all classes, excluding fishing craft. If we reckon the average tonnage of such vessels to be somewhere between 3,000 and 3,500 tons, the approximate amount of British shipping destroyed in the campaign comes to little less than 2,000,000 gross tonnage. This is about 10 per cent. of the total tonnage of the mercantile marine of this country. This may be an over-estimate, but we cannot be very far from the mark. What it seems to show is that the task the Germans have undertaken is beyond their power to accomplish. We were told a total of 1,000,000 tons of shipping would be destroyed monthly, and this is necessary for the achievement of their ends. The loss is serious enough, but nothing like the total claimed by the Germans to have been reached the first six months.

"Unless, therefore, the weekly figures are misleading, the problem does not appear such as cannot be solved. Looking things all round, we may take hope.

"It must be recalled the campaign must always be of an intermittent character. The decrease in energy of the last few weeks may not continue. Clearly, offence is the best reply to the submarines. On the whole, the hunt for them appears to be making fair progress."

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Gateway to the greatest of waterfalls in the world. Drive up to the beautiful Troll Falls. The water is so pure and clear that you can see the bottom. The surrounding mountains are so high and grand that they seem to touch the sky.

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