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The Journal of Commerce

MONTREAL, CANADA

VOL. XLVII, No. 49

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Ste. Anne de Bellevue, Que.

PRICE, 10 CENTS

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By T. B. MACAULAY, President, Sun Life

Legislation for Unemployment Problem in Canada

By J. W. MACMILLAN

"Available Reserve" of Canadian Banks Goes Below 20 p.c. for First Time in Many Years

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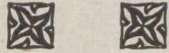
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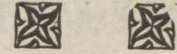
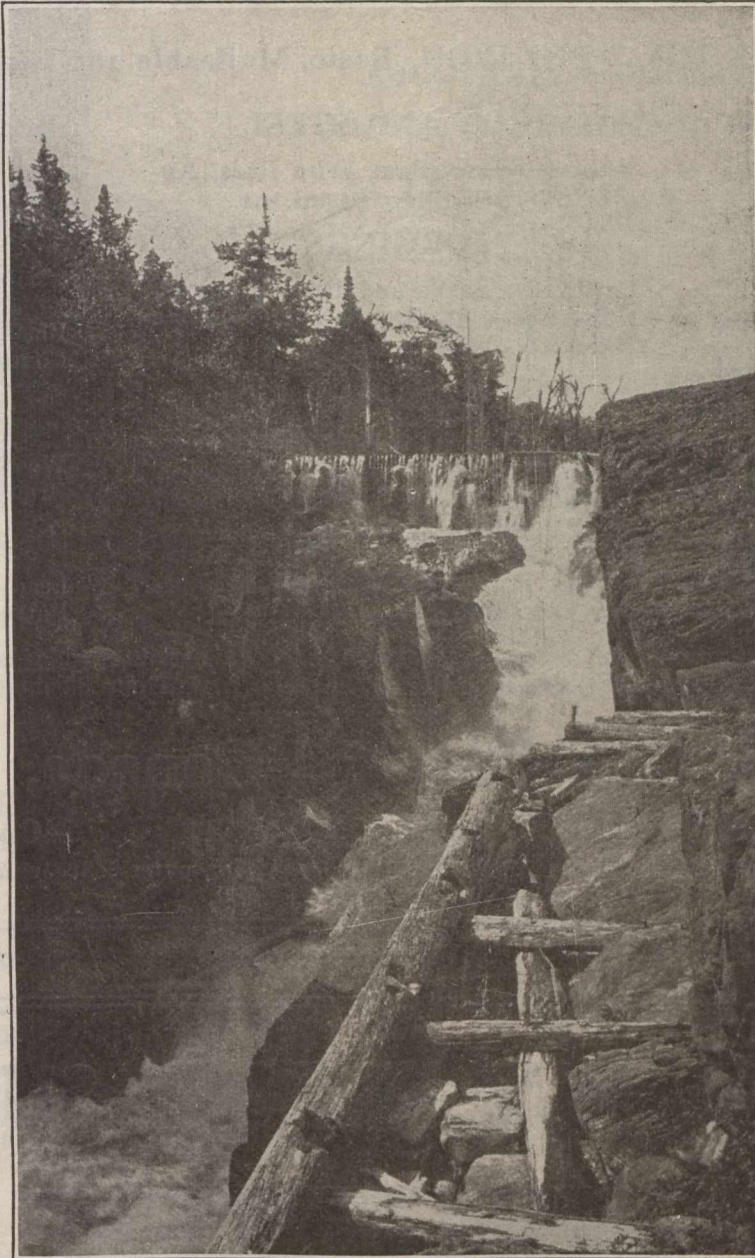
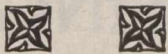
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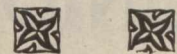
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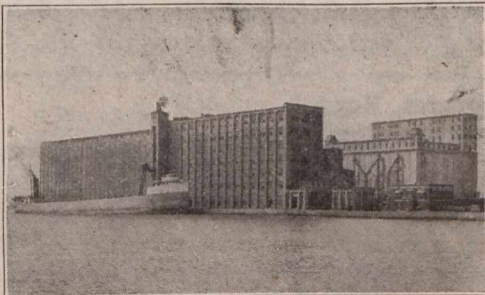
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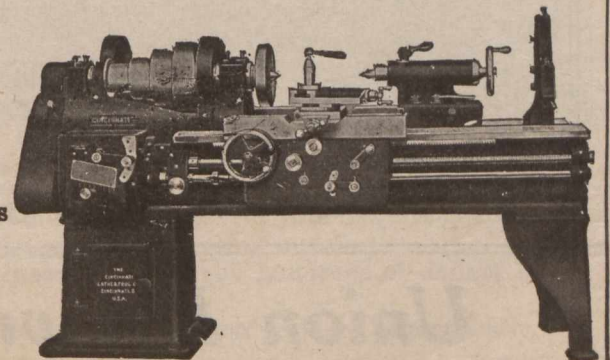
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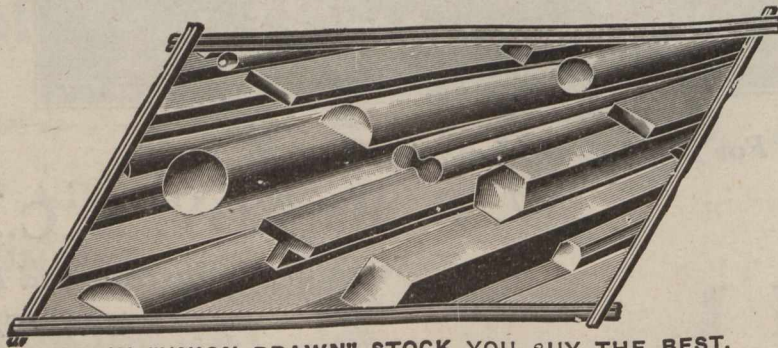
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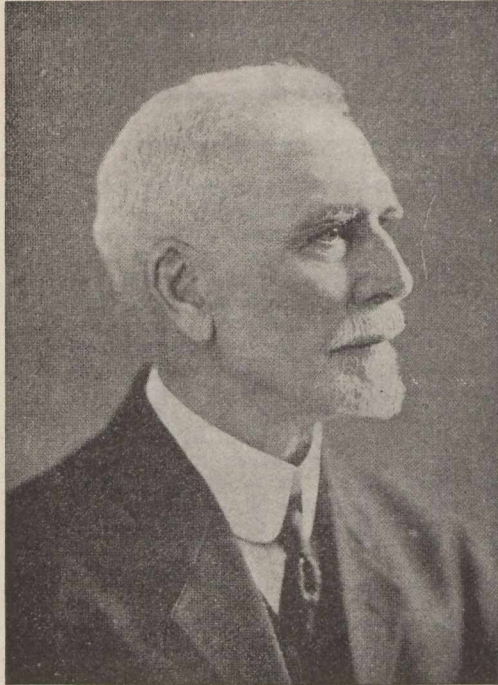
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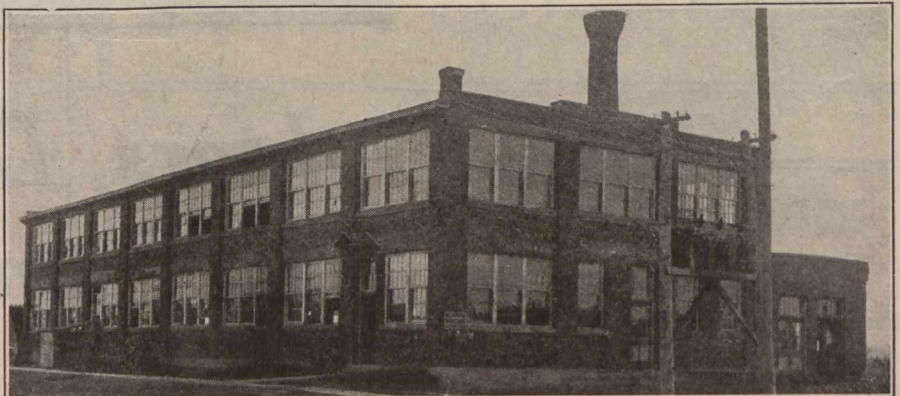
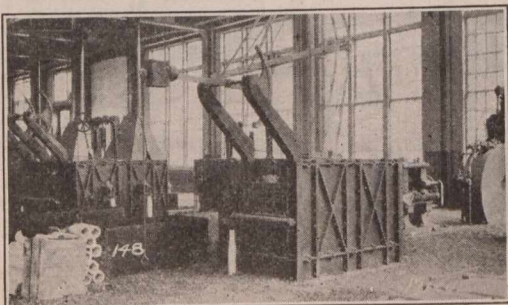
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Capital paid up	\$ 16,144,550.00
Reserve Fund	16,397,275.00
Undivided Profits	535,757.19
Notes in Circulation	34,412,062.74
Deposits	383,318,713.02
Due to other Banks	8,367,900.08
Bills Payable (Acceptances by London Branch)	504,744.27
Acceptances under Letters of Credit	11,607,490.78
	<u>\$471,288,493.09</u>

ASSETS

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

*595 Branches in Canada, Newfoundland, West
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Newfoundland	8
West Indies	54
Central and South America	9
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U. S. A. (New York)	1
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The Journal of Commerce

MONTREAL, CANADA

VOL. XLVII, No. 49.

GARDEN CITY PRESS, TUESDAY, DECEMBER 9th, 1919.
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HON. W. S. FIELDING,

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Institutions That May be Abolished

IN a previous article we discussed the proposal of Mr. Hanna, President of the Canadian National Railway, to carry on the vast business of the Government railways without any interference on the part of members of Government or members of Parliament. Mr. Hanna's scheme does not strike us as very practicable, for reasons which we have stated. But if we are mistaken in our view, if what Mr. Hanna proposes can and should be done, the way seems open for a much wider reform, and for a very large saving of expense to the country.

The consolidated Government railway system of Canada will, as Mr. Hanna states, be the greatest railway system in the world. It will be, as we have pointed out, much the largest part of the public business of Canada. Indeed it will be, as respects the extent of operations and the financial interests at stake, more important than all the other business of the Dominion combined. Now if all this vast business can be properly managed by a small body of gentlemen at Toronto, with Mr. Hanna at their head, if it is to be so clearly and emphatically laid down that neither the services of members of Government nor the services of members of Parliament are required for this big business, why should such services be required for the management of the smaller public affairs which remain? Should not the tail go with the hide?

If the big railway department can be handled in the way proposed, is it not folly to keep up the expensive machinery of Government and Parliament for the management of the minor business? There are upwards of twenty salaried Ministers of the Crown. There are upwards of three hundred members of the Senate and the House of Commons. There is an enormous civil service. Why continue such elaborate and expensive machinery? Why not abolish both the Cabinet and Parliament and turn over the whole business to the Hanna autocracy at Toronto?

The Other Treaty

SO much attention has been fixed at Washington on the contest over the ratification of the treaty of peace between the Allies and Germany, that little has been said about another treaty which proposes to make the United States a party to an agreement that will impose on the nation an obligation more directly in conflict with America's past policy than anything provided in the German treaty. In this other treaty Great Britain and the United States undertake to protect France against any further attack from Germany. Such a proposal may be expected to shock those who have been clinging to the old policy of non-interference in European affairs so strongly advocated by George Washington. In the opinion of Frenchmen, assented to apparently by the delegates at the Peace Conference, France will continue to be in great danger after peace is proclaimed. Germany will look for a favorable moment to again attack France, and again the world will be thrown into the horrors of war. To prevent this, to ensure the maintenance of peace after it has been proclaimed, is for France the most vital question. The League of Nations, if completely organized, is expected to be, in a large measure, a guarantee of peace. But France thinks something more is needed to meet her particular case of an enemy at her doors. She asks Great Britain and the United States to declare to the world that in event of a new attack by Germany on France these nations will come to the relief of France. It is a case of prevention instead of cure. In the face of such a treaty any temptation that may arise in Germany to assail France will be curbed. If there had been such a treaty in 1914, there would have been no war. While there was a good understanding between Great Britain, Russia and France, there was no written obligation on the part of Great Britain to fight for France. The Kaiser did not believe that Great Britain would send her troops across the channel. The strongest argument for the new treaty is that in all probability its provisions will never have to be brought into action, but it will be the best possible guarantee of peace as between Germany and France. Great Britain has already ratified the treaty. Let us hope that the United States also will do so.

Party and Caucus

THERE is an amusing *sidé* to the situation which has brought into being the Farmers-Labor Government at Toronto. One of the chief cries of the speakers and writers identified with the new movement is about the alleged evils of party government. They vehemently declare that the party system is bad. They denounce both the Liberal and Conservative parties unsparingly. But while they are thus condemning partyism they are using all their arts to build up a party of their own. Instead of destroying partyism, they are enlarging its operations by creating a new party. If two political parties are an evil, is the situation improved by having three? True, the U.F.O. leaders tell us that they are not for a class, that they stand for the interests of all, that they will do justice to all classes, that honesty and sincerity and liberality and all the other virtues are to be their guiding stars. But in this respect wherein do they differ from the other parties? When was there a Government that avowed itself the representative of a class? When was there a Government that did not proclaim its fidelity to all the great virtues that our Farmer friends are claiming as their own?

Mr. Drury has stated that the caucus is to have no part in his system of government. He will soon find that he has spoken hastily. His Government has been created as the result of more than one caucus at Toronto, and in the strange situation which will face them when the Legislature meets it is quite probable that they will find occasion to consult their friends in caucus more frequently than the former governments did.

Thus Ontario, instead of getting rid of partyism, is strengthening it. There will be three parties in the Ontario House—the Government party, the Liberal party, and the Conservative party. For the moment the Labor representatives are united with the Farmers in the Government party, but the union is not a natural one and may not last long. The three parties may become four at no distant day.

Partyism is not necessarily an evil. Like anything else it may be abused. But properly guided and directed political parties are useful agents for the management of the public business. In the larger arenas of politics parties will necessarily be created. There may be readjustment of parties and a re-naming of them. But the elimination of partyism will not take place. Too many parties may be an evil, because such a condition makes for group-government, and that is less likely to serve the public interests than the old system of two strong parties. And the caucus, instead of being the evil that unthinking people sometimes regard it, is a useful feature of the party system. Partyism, with the aid of the caucus, produces government in accordance with the party's views. Partyism without the caucus produces government that is not far removed from autocracy.

Ministerial Salaries

PREMIER DRURY has announced that he has reduced his own salary from the \$12,000 received by Sir William Hearst to \$9,000, an action that will naturally be taken as an assurance of his determination to pursue a policy of economy. The salary of each of the other Provincial Ministers is \$6,000; that of the Premier has for several years been \$12,000. In both cases there is, besides, the sessional indemnity of \$1,400. There are reasons why the Premier of a Government should have a somewhat larger salary than his colleagues, but we doubt if good reasons can be given for such a large discrimination as has been marked in Ontario. To give the Premier double the salary of the other Ministers suggests too large a distinction between the duties and responsibilities of the chief and those of his colleagues. The Premier of a Government is first among equals. The large distinction made in the salaries in Ontario assumed a degree of superiority in the Premiership that is not in accord with the best constitutional principles. On this ground—though Mr. Drury has not so placed his action—the reduction of the Premier's salary can be justified. If \$6,000 is enough for the other Ministers, \$9,000 is a not ungenerous allowance to the Premier. On any other ground the reduction was not called for.

There is not much room for charges of extravagance as respects the salaries of Ministers of the Crown in any part of Canada. At Ottawa the Ministers are notoriously underpaid. In some of the Provinces the salaries given to these responsible officials are ridiculously small.

Premium Bonds

THERE is a little of the spirit of gambling in almost every quarter—a disposition to "take a chance." Sometimes the spirit is exhibited in very broad ways, which call for pretty general condemnation. Sometimes it is manifested in such refined forms and for such defensible ends that the multitude are inclined to forgive it, if not to participate in it. In most European countries lotteries are recognized. In some of them they are regarded as quite legitimate attachments to the issue of Government loans. On several occasions since the debt of Great Britain has been piled up by the war, proposals have been made to issue premium bonds, bonds which would offer the investor a moderate rate of assured interest and the chance of participation in the drawing of prizes. The first suggestions of the kind, made several years ago, were promptly condemned as something in the line of gambling which, in the interests of morality, must be frowned down. But the idea persisted, and after a while it was deemed at least worthy of consideration by a committee of the House of Commons. The committee reported against

it and the House gave a not very enthusiastic approval of the report. Recently the project was revived by that vigorous if not always discreet member, Mr. Horatio Bottomley, of "John Bull." Perhaps Mr. Bottomley's championship of the movement did not strengthen it. But even in the face of that handicap—if such it was—the scheme found a large measure of favor in the House. Mr. Lloyd George, though not himself favoring it, felt obliged to make a declaration to the effect that he would arrange for a day for the discussion of the proposal, and that the Government would leave it an entirely open question, free from the influence of the party whips. Having advanced so far, the promoters of the movement proceeded to obtain the signatures of a large number of members to a memorandum in support of the scheme. About 200 signed the document. The measure of success that was attending the movement alarmed the opponents of it, who invoked the aid of the Archbishop of Canterbury and a large part of the clergy. These, on the eve of the discussion in Parliament, thundered against the proposal, and evidently their protests were effective, for when the House divided, the proposal to issue premium bonds was defeated by a vote of 276 to 84.

There is little room to doubt that the decision of the House of Commons reflects the judgment of the majority of the people of the United Kingdom, who, though they may be disposed to take sporting chances in some things, are not prepared to have the nation squarely and openly take up what is regarded as a gambling feature in national finance.

It has been pointed out, however, that while England thus shrinks from the open declaration of such a policy she has in actual practice been doing very much the same thing. Among those who protested very vigorously against the proposal was the venerable Dr. Clifford, the most eminent Baptist clergyman of the Kingdom. A correspondent of the Times, replying to Dr. Clifford, told him that his protest was several months too late. In June, the correspondent pointed out, the Government issued a loan at the low rate of four per cent interest, at the price of £85 per £100 bond, and made the issue attractive to the investor by providing for annual drawings "by lot" for the redemption of the bonds *at par*. This was practically an issue of premium bonds, inasmuch as the chance of getting back at an early day, "by lot," £100 for the £85 invested was one of the most attractive features of the issue. It does not appear that this bit of "gambling" elicited any protest or caused any comment. There was no mention of "premium bonds." But when the House was asked to give a direct vote for practically the same thing, the conscience of the House was aroused, with the result as stated. Perhaps if Mr. Bottomley, instead of indulging in his John Bull bluff method, had employed a little camouflage, he would have had more success.

The Law and Unemployment

Canadian Legislatures Will Make Various Efforts to Tackle One of Most Difficult Economic Problems of the Age—
Lack of Experience to Guide the Law-maker.

By J. W. MACMILLAN.

It is certain that the coming winter will see more attempts on the part of the Legislatures of the Provinces of Canada to enact labor laws than ever before. One of the first matters which will engage their attention will be that of insurance against unemployment. Hon. Mr. Rollo, Minister of Labor in Ontario, is reported as having forecasted such a law. The Royal Commission under the presidency of Judge Mathers recommended such a law. And the Industrial Conference at Ottawa last September passed several resolutions urging governmental action to lessen the evils of unemployment, one of the proposed reforms being a board to inquire into the question of insurance against unemployment. With all these indications of legislative action it seems reasonable to expect that a beginning will be made towards setting up schemes of unemployment insurance.

It is a good sign. It shows that the country is awakening to the reality of unwilling idleness on the part of its workers. The doctrine has been too prevalent that any man could get work if he wanted it badly. We have been accustomed to picture our great and rich Dominion, with undeveloped natural resources beyond estimation. We have assured ourselves that there was plenty for all, and blamed the man who did not find a place where he could supply himself abundantly. It is apparent that we are turning from this naive explanation of want.

Substitute Soup for Circuses.

Mr. Royal Meeker, Commissioner of Labor Statistics in the United States, in a recent address, asserts that bread and soup has been the only form of unemployment relief which his countrymen have supplied. He compares it with the ancient Roman method of providing bread and circuses. He says: "We have substituted soup for circuses. That has been thus far our contribution toward the ultimate solution of the problem of unemployment. Whether we have improved upon the Roman formula for the treatment of the unemployed may be determined only by a careful statistical study of the relative merits of the Roman circus and the American soup dispensed to the unemployed."

His words apply with equal force to Canada. We cannot stand the sight of starvation, but we have not had the foresight to face the grim reality of the suffering certain to emerge from the rhythm of expansion and contraction in the industrial order. We have not recognized one simple fact, which needs only to be seen to be acknowledged, that of all the contributors to production the one least to blame for the slowing down of its activities is the man who works for wages. He has nothing to do with the finding of markets, or the victory over competitors, or the balancing of credits, or the alterations in demand and supply. Yet he is the first and the worst to suffer.

Worker Himself Short-Sighted

Even the worker himself has been slower than he might have been to realize the importance of stability in the industrial processes. He has thought more of wages than of steadiness of employment. His energies have been thrown rather into a campaign for more pay and more leisure, than into an attempt to render his job secure all the year round.

The attempted solution of the problem of unemployment will move along three lines: Buffer

employment, labor exchanges, and unemployment insurance. Probably the majority of our people are ready for the prosecution of all three. But the third, the insurance law, is the most intricate and difficult of the three. I shall try to indicate some of the problems which will require to be solved.

First is the actuarial problem. There are no coherent statistics as to the amount of unemployment on this side of the Atlantic. In Britain, however, the number of those out of work is constantly known. But even in Britain this information has been accessible only since 1911, when the scheme for unemployment insurance went into effect. Thus unemployment insurance is at once a more awkward question than sickness insurance, for the number sick at any time, thanks to the figures gathered by life insurance companies and the boards of health, is pretty well known. It is true that the recent broadening and affiliating of state employment offices throughout the Dominion will afford much more information than had been available in the past. Yet it will be far short of what is desirable, and consequently the first essays at legislation will have to be tentative. They will probably attempt to feel their way by beginning with certain trades. And, as the trades which are seasonal or notably irregular are those where this problem is sharpest, we shall likely see them made the subject of the first experimental legislation. In Britain a beginning was made with the precarious trades of engineering and building.

When we come to the law itself we find three possible ways in which it may seek to accomplish its purpose. First, it may copy the Belgian legislation and make the labor unions the channels of its disbursements. Second, it may copy the British act and collect one-half the cost in equal shares from employer and employee, while giving the other half from state funds. Here co-operation with the labor unions is sought, and whatever unemployment benefits are disbursed by the unions are repaid to them. Third, it may adopt the plan followed in the Workmen's Compensation Acts, and charge the whole cost up to the industry.

Make Industry Provide Cost.

I have no information as to which of these three courses is likely to be followed in Ontario or any other of the Provinces. But it appears likely that there will be some support for the scheme to make industries provide for the unemployment they cause or allow. The argument which supported charging the cost of accidents to the industry applies with greater force to unemployment, which is more strictly an industrial hazard than casualties are. A workman's loss of a hand may be partly due to his fatigue caused by his behaviour outside of working hours, but his discharge through lack of orders cannot be so explained.

Besides, one of the great difficulties in such a far-flung land as Canada will be that concerned with the mobility of labor. It is desirable that a worker should not be unnecessarily tied to one job, or one locality. Any scheme by which he contributes by assessment to the unemployment fund would have to reckon with that difficulty, whereas a scheme which put the whole cost on the management would leave him free to go and come as he wished.

It is extremely desirable that the practice of sudden dismissal should be changed into one where some warning or provision is given to the man about to be discharged. He seldom has any savings, and if he has, it is a pity to force him to use them up while he is hunting a new job. If he were given a week's notice he would have a chance of locating a new job, into which he could drop immediately after his old one stops. I know the objection that his last week's work would be one fraught with danger to the employer and do not think that the peril is nearly as great as is commonly thought. But, on account of this alleged danger, it has been suggested that a "dismissal wage" should be paid to every worker who has been longer than a brief period in that particular employment. Anyhow, the obligation on the industries to support their workers is inescapable. And the practice of sudden discharge, without additional pay, is incompatible with a sufficiently stable income for the worker.

Dovetailing of Trades.

There are certain trades which are notoriously irregular and which therefore require peculiar attention. How can the canning industry possibly run regularly all the year round? Is it fair or feasible to ask this trade to maintain in idleness for the greater part of the year a plethoric working force? There is a big opportunity for the dovetailing of trades in Canada, particularly on account of our winters. If the outdoor summer workers had an indoor winter trade some of our hardest and most constant problems of unemployment would disappear.

It is well to remember that no industrial order can work without a reserve of unemployment. A socialistic organization of industry would have to face this fact as well as the present individualistic organization. As a bank needs a reserve of money, so does industry need a reserve of labor. It is impossible, and undesirable, that industry should become so strait-jacketed that there should be no ebb and flow movement and elasticity in employment. Keep work as constant as you will, the very condition of its constancy is that there should be some waiting to take the places of those who have to drop out. New outcroppings of demand, changes in fashion, the growth of one industry or another, inventions, reorganization of plant or working force—all these are contingent on the existence of a reserve of labor. If the stream of production is to flow smoothly between the banks of human life it must be liquid. Thus in curing the evils of unemployment we shall be not only healing a disease but providing in a rational way for a necessity.

Cattle Shipment Problems.

The export of Canadian cattle to Europe is a matter that has been engaging the attention of the Live Stock Commissioner at Ottawa, in conjunction with a strong financial group in Montreal. Steps have been taken by the Commissioner with a view to securing better shipping accommodation, next season for this trade. It has been pointed out by shipping men that the losses during the war of cattle boats, and the great demand for ordinary cargo space this year, acted detrimentally on the cattle shipping trade, but next year, when things are more normal, they hope to meet fully the demands of the industry. It has been clearly shown that Canada has been making very slow progress as compared with the United States in developing this trade, not only on account of more favorable rates at U. S. ports, but on account of the lack of centralisation in the management of the business in Canada. The pooling of the business on lines adopted in certain other trades has been suggested, and to this end a movement is now for concerted operations,

The International Trade of Canada

Should Trade with B.W.I.

Changed Economic Situation of the World, and Heavy Exchange Premiums in Favor of U.S., Make Closer Relations Between British Dominions Imperative.

By T. B. MACUALAY, President, Sun Life of Canada.

Trade co-operation between the different parts of the Empire was always desirable, but a crisis has now been reached which makes it essential. The United Kingdom, Canada and the West Indies all import from the United States vastly greater values than they export to that country. Before the war the adverse trade balances were offset by interest on American securities owned in Britain. Most of these securities have now, however, passed into American ownership, and there is also a large annual interest which both the United Kingdom and Canada have to pay in New York. The rates of exchange indicate how hard pressed we are to provide funds to pay for these American purchases. In Britain the New York exchange has risen to a premium of 24 per cent; in Canada to over 5 per cent, and in the West Indies to over 20 per cent; and the end is not yet. These premiums are offered to induce the sale by English owners of their American purchases. When American securities are not available British and Canadian securities are offered in New York on the bargain counter at corresponding discounts below the British and Canadian prices. The supply, however, is not unlimited. How long can this continue?

Canadians are specially interested in the British Exchange situation for our exports are chiefly to the Mother Country, and unless some solution be found, it is a question how Britain will in future be able to pay for her purchases here. Hitherto we have been able to maintain our exports by our government advancing to the Mother Country the necessary amounts, but that cannot continue for ever.

The situation is terribly serious. Leaving the British problem to be dealt with by British statesmen, let us consider the relations of Canada and the West Indies to the United States.

There are few things which the people of the United States require to purchase outside of their own boundaries, especially since their acquisition of Porto Rico. As a contrast, Canada must go abroad for all tropical and semi-tropical requirements, and the West Indies must go abroad for all their Northern requirements. At present Canada makes these purchases largely from the United States and the West Indies make their purchases also largely from the United States, both rolling up a huge indebtedness to that country. If these two parts of the Empire were but to enter into partnership so that each would buy from the other, instead of from the United States, they would cancel much of their mutual indebtedness to that country, and each be much more prosperous and more populous.

Too Much Trade With U. S.

As an illustration, British Guiana in 1917 bought from the United States \$7.27 for every dollar the United States bought from her, while she bought from Canada 41 cents for every dollar of her produce which Canada bought. But for the preferential treaty with Canada, the trade of the Islands would by this time be almost exclusively in American hands.

As president of the Canadian and West Indian League, the writer recently paid a visit to the Eastern group of Islands and British Guiana, con-

sulting with the leading people and addressing many Chambers of Commerce, and therefore speaks with confidence as to the attitude of the people in these colonies.

The suggestion of closer trade relations was everywhere received with enthusiasm. He advocated that the present preference of 20 per cent be increased to 50 per cent, to apply as does the present preference to imports into the Dominion from the West Indies, and in the West Indies to imports from either Canada or the Mother Country. He was left no doubt as to the willingness of these colonies to make this arrangement. The granting of the recent British preference has removed all particle of doubt, if any there were.

The question of revenue has to be considered, but the writer always pointed out that the preference could be given by making their present tariff the preferential scale and merely doubling the same for the general tariff, thus avoiding all loss of revenue, making the preference to the Mother Country and Canada larger and more valuable, and lessening the inequality of concession which result when the percentage of preference is calculated on a low tariff by the West Indies and on a much higher tariff in Canada. This solution seemed to appeal to everyone. Nowhere did the writer hear one word of objection to it.

The Sugar Complication.

Incidentally the new British preference on sugar has introduced a complication. Although the rate is but one-sixth, the British duty is so



Eating Sugar Cane.

high that the preference comes to about 80 cents per 100 lbs. or more than double the present Canadian preference. This would result in all British West Indian sugar going to the Mother Country, thus destroying the Canadian connection. The writer, however, is quite confident that the difficulty will be solved by the increasing of the Canadian preference to equal the British preference. The Minister of Commerce of Canada has power to do this without further authority from Parliament.

While all the colonies are ready for a 50 per cent preference British Guiana desires to consider the question of going much further. The position of that colony is unique. While the resources of the Islands are somewhat fully developed, Barbados having nearly 1,100 to the mile, British Guiana has 90,000 square miles with a population of 300,000 or three to the mile. The colony is in urgent need of development and has great possibilities in sugar, rice, cattle, etc. A railway is urgently desired to open up the savannahs in the south-west of the colony. Other public works should also be undertaken. Above all, British Guiana requires to be taken under the wing of some great Northern nation which will undertake its development with energy.

Vast Development Possible.

The proposed railway would serve also North Central Brazil which has enormous savannahs with no present outlet or inlet except by the Amazon for two thousand miles to the sea. This great territory could be commercially annexed especially if a preference treaty were arranged between Brazil on the one hand and Canada and British Guiana on the other.

The United States are reported to be negotiating for Dutch Guiana and if they secure it will develop it vigorously. Is British Guiana to remain undeveloped because it is British?

The natural course would be for the Mother Country to undertake this work. If, however, Canada is to do this, what basis could be arranged?

From the commercial standpoint the admission of British Guiana as a Canadian province would be satisfactory, but the people there do not desire it, and nothing more need be said on this point.

There is, however, in British Guiana, a very strong and widespread desire for commercial union, due chiefly to the efforts of Hon. George Russell Garnett, Capt. J. M. Reid, and others, to whose wisdom and patriotic energy the writer would pay unstinted homage.

The legislature of the Bahama Islands has twice put on record its desire for political union with Canada, but the other colonies are hardly so far advanced.

Under any form of political union British Guiana could reasonably ask to be treated as the provinces were treated. For the Maritime Provinces the Intercolonial Railway was built; for Prince Edward Island the P.E.I. Railway; and for the prairie provinces and British Columbia the Canadian Pacific Railway. It is practically certain that with political union the Dominion would unhesitatingly undertake the building of the British Guiana Railway and other necessary public works. How closely can we approach this arrangement without actual political union?

The Status of Porto Rico.

Porto Rico has its own local legislature but no voice in the Government of the United States. There is free trade between that island and the American mainland, while the full American tariff is applied against imports from all other parts of the world. The customs revenue goes, however, to the Island legislature and not to the United States. Under this arrangement the exports of Porto Rico have grown from \$8,000,000 in 1901 to over \$74,000,000 in 1918, and the im-

ports from \$9,000,000 to \$63,000,000, \$59,000,000 coming from the United States and \$4,400,000 from the rest of the world. The Island has become exceedingly prosperous and the trade has been forced into strictly American channels.

A similar arrangement between Canada and British Guiana should produce corresponding results. It is true that Canada has not the population of the United States but—

(1) The Canadian population is growing rapidly.

(2) That population is exclusively Northern without any competing semi-tropical section as in the United States;

(3) The United States has also to provide markets for Hawaii, the Philippines and Cuba.

A Canada and British Guiana Customs union should provide a 50 per cent preference for the Mother Country and this should be made an essential part of the arrangement.

Under a permanent customs union the Dominion would be justified in taking an interest in the development of British Guiana and suggestions are made in this connection. This idea was received with enthusiasm in Georgetown and has been much discussed and advocated since. There has been a chorus of popular approval in the Press and elsewhere, but the writer has not heard one disapproving voice.

A Reasonable Tariff Policy.

Any form of union would imply free trade between Canada and the West Indian Colony. Can British goods also be admitted free of duty? The writer has come to the conclusion that to secure revenue and to justify Canada in undertaking the development, no better arrangement is possible than the full tariff against the United States, with a 50 per cent preference to the Mother Country.

This position is reasonable. So far from injuring the trade of the Mother Country with the Islands and the Northern sections of South America it would save that trade from extinction and develop it to much larger figures. If nothing be done that trade will inevitably be captured by the Americans and be lost to both Canada and the Mother Country. The United States is making extensive plans to capture that trade, and unless Canada intervenes that British Trade will be lost just as surely as the trade with Porto Rico has been lost.

The imports of the West Indian colonies consist chiefly of northern produce, flour, biscuits, grain, cheese, butter, corned beef, pork, salt fish, etc., and these can only be secured from either the United States or Canada. Shall these goods be supplied by one of the Empire's Dominions or by a foreign country? For goods which the Mother Country can supply in competition with the United States, the 50 per cent preference would give her a tremendous advantage over that country.

The United States desires even the ownership of these islands. The suggestion is being continually heard that Britain should sell these colonies. In Jamaica in particular an insidious agitation is being carried on in favour of annexation, Porto Rico being pointed to as an illustration of the prosperity Jamaica would enjoy under the Stars and Stripes. The transfer of Jamaica or the other islands would, however, be the beginning of the break-up of the Empire. Canada, being exclusively Northern **must** have tropical adjuncts if she is to have an independent commercial development and be really independent of the United States. No matter how loyal the people of the Dominion, she must otherwise become in time financially and commercially dominated by the United States. The West Indies are necessary to Canada's future. The United States wants them, but in a commercial sense, Canada wants them and needs them.



A Rural Scene in St. Kitts.

Precedents for Hungary.

There are precedents. The Union of South Africa controls much of Africa; Australia has New Guinea and New Zealand Samoa. Why should not Canada have specially close relations with the West Indies?

But for Confederation the Canadian Provinces would be a mere string of detached colonies along the Northern border of the United States with probably but two-thirds of their present population and wealth, and completely under American control financially, commercially, and probably politically. They would, in fact, by this time almost inevitably have joined the American Union. It might have been argued that it was unfair to the Mother Country to allow goods from Upper and Lower Canada to have an advantage over those of the Mother Country in the markets of the Maritime Provinces. Confederation, however, has saved the trade with Canada and has developed it to vastly greater proportions.

The same objections could now be made to Newfoundland's joining the Dominion.

For every commercial advantage resulting from a partnership of two Northern countries one hun-

dred advantages would result from a partnership of northern and tropical.

Would Aid the Mother Country.

Just as certainly as the federation of the Canadian Provinces has increased the population and prosperity of every province and developed the trade of the Mother Country, so surely would a partnership between Canada and the West Indies have similar and even more beneficial results and build up the Empire in North America to an importance at present hardly dreamed of.

This arrangement would do much to solve the American exchange problem in Canada and the West Indies, and would assist even the Mother Country in this respect.

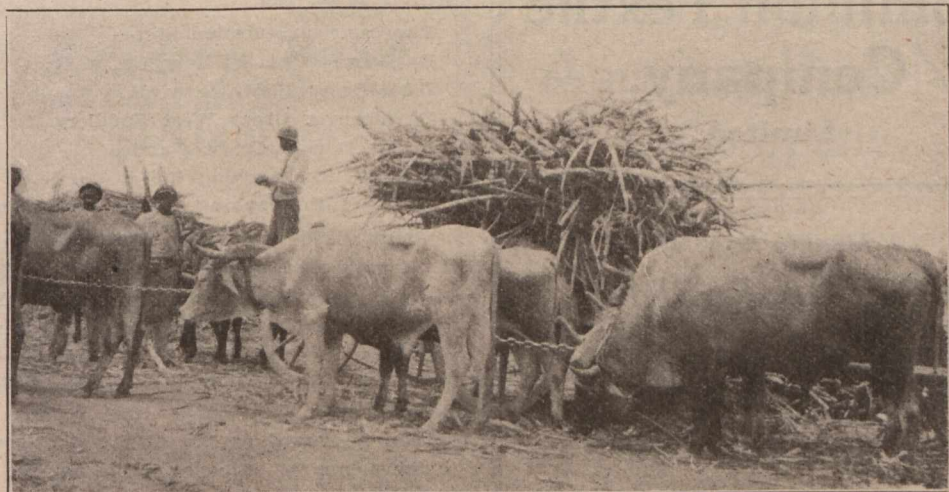
If we were to wait till a Confederation of the West Indian colonies should first take place, we might wait till we are all in our graves, and the problem have settled itself in favour of the United States. In any case it is doubtful if British Guiana would confederate with the islands. Her interest are antagonistic. She requires development, and union with the already developed islands would give the latter the power to stop Guiana's development. Would the people of Barbados, for example, vote to tax themselves to develop British Guiana?

British Guiana requires to be developed and Canada is ready, if requested, to undertake the task. It is not necessary to decide now the nature of the partnership or even whether there should be a partnership at all. That question can only be settled after lengthy conference. The Board of Trade of British Guiana has passed a unanimous resolution favouring union with the Dominion, and desires the appointment by the Colonial Government of a committee to discuss the matter with the Dominion Government, the Mother Country also being represented on this Committee. The Joint Committee would, after a full consideration, make a united recommendation which would be the basis for future action. The matter should be carefully studied in this way and well-thought out recommendations be made by such a committee, which would not be binding on any legislature but should be of great value in guiding their deliberations.

The appointment of such a committee may have great and far-reaching consequences, and is not merely wise but most highly important and desirable. It would be a step forward in the consolidating of the Empire in America and should lead to the solution of some at least of the Empire's problems.

Forest Fires in Quebec.

The past fire season in Quebec has been, from the standpoint of weather, one of the worst in years, but the number of fires was not large. There was practically no difficulty with settlers. The worst fires were caused by dam-keepers and river drivers of operators.



Loading Cane on the Factory Railway.

Many Openings in South America

A survey of financial and business conditions in the principal South American countries featured the address of Robert J. Hose, chairman of the Anglo-South American Bank, Limited, delivered at the annual meeting of shareholders. Mr. Hose said in part:

"The financial situation of Argentina is still difficult, and no improvement has been possible owing to the fact that the custom receipts, the chief source of revenue, have inevitably to suffer on account of the prolonged strike in the docks of Buenos Ayres. To meet current expenses, the government has had recourse to the issue of treasury bills, which now total \$303,536,000 paper. A natural consequence of the great trade balance in favor of the Argentine has been the appreciation in value of the dollar, which is to-day worth 55½¢, as compared with 51 3/16¢ on June 30, 1916. As regarded the coming crops, the prospects could not be better, and if to these prospects is added the surpluses that still await shipment the future of the grain shipping business looks very bright so far as quantity is concerned, though the tendency seems to be for lower prices. It is expected that owing to the considerable decrease in the livestock of European countries the Argentine output of this year will show further expansion. With regard to sugar, after two disastrous years, the conditions of the new national crop could not be better. If no damage is caused by frosts the total production estimated at 235,000 tons, would be far in excess of the internal consumption of the country, which is calculated at 213,600 tons per annum. One may reasonably anticipate that the country's abounding prosperity should once again bring a return to better conditions for the railroad industry, which has been the most potent factor in creating Argentina's wealth as an agricultural and pastoral country. A cable just received from the Buenos Ayres branch of the bank states that the cereal outlook is excellent, cattle prices are very firm, and pasturage in general good. The wool market is dull and the outlook uncertain, as about 25,000 tons of last year's clip are in hand. The hide market is very firm and money in very strong demand, and share per market weaker in consequence, and labor is quiet for the moment.

"With regard to Chili, that country has felt very acutely the immediate effect on trade and industry and the cessation of hostilities in Europe, especially as she has been living in unusual prosperity owing to the large and steady demand for her products for war purposes. Almost if not quite unprecedented in Chilian history has been the extreme fluctuations in exchange during the twelve months under review, the highest rate touched

17½¢ on July 10, 1918, and the lowest 8 13/16¢ on March 3 last, corresponding to a drop of 50 per cent in nine months. There was a recovery subsequently, and to-day the rate is 11 13/16¢.

"The position of the nitrate industry since the termination of the war has not been satisfactory. At that time the Allied governments were left with very considerable stocks in hand—sufficient for all immediate industrial, agricultural or other necessities—with the consequence that further shipments from Chili during the current year have been almost negligible. Production, however, has been continued, although on a greatly reduced scale, reports showing that the recent output to the end of September was well over one-half of the normal. In spite of this restricted production, the absence of shipments has resulted in the accumulation of stocks in Chili to the unprecedented figure of 37,000,000 quintals. A good deal of activity, however, has recently been shown, and some 1,100,000 has been contracted for shipment up to March of next year. There appears to be no doubt that the commodity is now urgently needed, not only in the whole

of Europe but elsewhere, and the prospects generally are fairly encouraging.

"The influence of the fall in the price of copper upon the export of the metal from Chili has been very marked. Practically the only region of Chili that has continued to enjoy almost to the full the benefits of maintenance of price and demand for its products has been the Magellan territory, whose sheep farmers have again reaped a golden harvest from the export of meat and wool, but even there serious labor disturbances have occurred, with consequent destruction of property and other detrimental results, the full result of which has perhaps not yet been fully ascertained. The shrinkage in the export of nitrate had resulted in an estimated deficit for the year 1919 of about \$94,000,000. How this is to be met is still a matter for conjecture, but this condition of the Government finances not unnaturally aggravates the general difficulties of the transition period for the commercial community and the public. To add to the troubles of the Government, the unoccupied labor discharged from the nitrate fields and mines is tending to become a charge upon the public purse, and to provide a measure of relief it is proposed to execute public works to a total cost of nearly \$40,000,000, to be raised by an emission of 8 per cent Government bonds."

Companies Licensing Cases

An effort is being made to secure from a large number of Dominion-charter companies a subscription, small in the individual case, but large enough in the aggregate to total at least \$5,000, wherewith to prosecute an appeal to the Privy Council in what are known as the Company Licensing Cases, in order that the whole question of the status of Dominion companies in the various Provinces may be settled once and for all. The decisions so far reached in Canadian courts have been inconclusive, but as the cases are test cases there is a natural indisposition on the part of the companies nominally concerned to carry them to the Privy Council at their own expense.

A number of companies subscribed amounts varying from \$100 to \$500. The amount required from each company will, of course, depend on the aggregate amount subscribed. The idea of asking each company to subscribe a fixed amount is merely to fix the maximum of its liability. Mr. J. G. Hossack of the Massey-Harris Company is acting as Treasurer of the fund. The subscribers up to the present include the Ford Motor Co. of Canada, Ltd., the Massey-Harris Co., Ltd., Steel Co. of Canada, Ltd., Maritime Fish Corporation, Western Grocers, Ltd., Canada Furniture Manufacturers, Ltd., Dominion Textiles, Ltd., Sawyer-Massey Co., Ltd., Ogilvie Flour Mills Co., Ltd., Canada Printing Ink Co., Ltd., D. K. McLaren Co., Ltd., J. H. Ashdown Hardware Co., Ltd., and McColl Bros., Ltd.

The cases in question are:—

Re Great West Saddlery Co. v. R.,
John Deers Plow Co. v. R.,
Davidson v. Great West Saddlery,
A. MacDonald Co. v. Currie,
Harris Lithographing Co. v. Currie,
Harris Lithographing Co. v. Atty-Gen'l.

These cases were originally begun in 1916 at the instance of the Ford Motor Co. of Canada, Ltd., a company incorporated under the Companies Act of Canada, who were threatened with prosecution by the Province of Saskatchewan, unless they registered their company under the Saskatchewan Companies Act, paying a registration fee based on the total authorized capital of the company. A considerable number of other companies were similarly threatened in Saskat-

chewan, and other companies found themselves in corresponding positions in other Provinces.

The question of the fights of Dominion companies had been before the Privy Council in the fall of 1915, in what was known as the Companies' Reference, but the Privy Council had declined to go into the question, stating that it was preferable that the issues should be raised in concrete cases. It was found that the case of the Ford Motor Company was not suitable as a test case, but the Canadian Manufacturers Association undertook to institute cases in three of the Provinces, Saskatchewan, Manitoba and Ontario, and instructed Mr. Wegenast to find cases suitable for the purpose. The Saskatchewan and Manitoba cases were carried through the Supreme Court of Canada and the Ontario cases through the Supreme Court of Ontario. The decisions of these cases were inconclusive, and it is now proposed to carry an appeal to the Privy Council.

The Canadian Manufacturers Association has concluded that it is not justified in assuming the expense of a further appeal, but a number of companies are anxious that the appeal should go on. The Dominion Government has agreed to carry on the appeal and to bear a portion of the expense. The Government, however, is technically only an intervenant and cannot act for the companies themselves. It would weaken the case of the companies if it were to appeal when they were not sufficiently interested to appeal on their own behalf. For this reason it is proposed that a number of the companies interested should join in meeting the expense of having the companies represented on the hearing of the appeal. It is estimated that a fund of \$5,000 should be available to cover all contingencies.

The issues in the cases are complex. The main issue is as to whether it is open to a Province to deprive a Dominion company of its corporate status and capacities, or to make their enjoyment depend upon registration or a license under the local Companies Acts. There also are various subsidiary questions, as for instance whether it is open to a Province to tax the Dominion company on the basis of its authorized capital without regard to the amount paid in or the amount employed in the Province.

Dominion Textile Company, Limited

Manufacturers of
COTTON FABRICS

MONTREAL
TORONTO WINNIPEG

Banks, Bankers and Banking

Bank Reserve Goes Below 20%

For First Time in Many Years the Banks have Less than that Ratio of Cash to Net Liability—Very Large Holdings of Government Securities—Climax of a Movement.

For the first time in many years the Available Reserve (cash and immediately callable items) of the Canadian chartered banks has fallen below 20 per cent of the net liability of the banks. The ordinary limits of fluctuation of this item are 20 per cent for the low and 30 per cent or a fraction better for the high. It is just three years since the Reserve was over 30 per cent and its decrease has been wholly due to the transfer of funds from that class to the Supplementary Reserve, consisting nearly of government securities. At the end of October 1916 the Available Reserve was 30.7 per cent and the Supplementary slightly below 20 per cent. At the end of October 1919, according to the Return just issued the Available Reserve was 19.6 per cent and the Supplementary was 32.8 per cent. This was a drop in Available of 1.3 per cent for the month, and an increase of 1.3 per cent for the month, and an increase same period.

The October return undoubtedly marks the climax of this rather undesirable tendency, as the November return will show a great reduction in the amount of government securities held by

the banks—a reduction more than proportionate to the reduction in deposits caused by Victory Loan payments.

The gross liability and net liability (after deducting inter-bank items and covered circulation), the two reserves, and the loans, for October and September respectively, are as follows:

	October 31.	September 30.
Gross liability	\$2,638,383,000	\$2,529,138,000
Net liability	2,371,725,000	2,279,101,000
Available Reserve..	466,142,000	476,595,000
Rates	19.6 p.c.	20.9 p.c.
Supp. Reserve	771,958,000	729,452,000
Rates.....	32.8 p. c.	32.0 p. c.
Loans	\$1,338,721,000	\$1,278,658,000

The expansion of nearly one hundred millions in net liability arose from demand deposits (55 millions) time deposits (35 millions), government deposits (11 millions) and smaller items. As will be seen, the funds thus secured went wholly into loans and second reserve, the item of Dominion Government securities alone taking 37 millions, and current loans in Canada taking 46 millions.

Canadian Banks Open 89 Branches

No less than 89 new bank branches were opened by Canadian chartered banks in October, with 13 closed, giving a net gain of 76. The Royal Bank of Canada and the Merchants Bank of Canada top the list, each having twelve new branches to its credit; Banque Provinciale is second with a total of ten; the Hochelaga Bank third with nine; and the Imperial Bank of Canada, next with eight; followed by the Union Bank with seven. Five new branches each are credited to the Bank of Hamilton and the Standard Bank of Canada, four to the Banque Nationale, and three each to the Bank of Montreal, Bank of Nova Scotia, Canadian Bank of Commerce and the Dominion Bank. The Bank of Toronto and the Sterling Bank each opened two branches and the Home Bank one.

The total number of branches of Canadian

Chartered Banks in Canada, Newfoundland and elsewhere at the end of October was 4,392.

Branches of Canadian Chartered Banks.

In Canada	4,242
Ontario	1,395
Quebec	1,048
Nova Scotia	149
New Brunswick	107
Prince Edward Island	34
Manitoba	308
Alberta	402
Saskatchewan	584
British Columbia	212
Yukon	3
In Newfoundland	41
Elsewhere	109
Total	4,392

ESTABLISHED 1873
Bank of Hamilton

Head Office: HAMILTON

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

DISCOUNT FACILITIES

This Bank is prepared to make advances to individuals, partnerships and companies against approved trade paper on favorable terms.

Do not hesitate to discuss with us the requirements of your business.

THE CANADIAN BANK OF COMMERCE

498 BRANCHES.

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

The Royal Bank of Canada

Incorporated 1869

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

HEAD OFFICE: MONTREAL.

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

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

SPAIN, Barcelona—Plaza de Catalunya 6.
PARIS AGENCY—28 Rue du Quatre Sep-
tembre.

LONDON, Eng. NEW YORK
Prince Street. E. C. 63 William Street.

SAVINGS DEPARTMENT at all
Branches

ESTABLISHED 1832

Paid-Up Capital
\$9,700,000



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

TOTAL ASSETS OVER \$220,000,000

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

THE BANK OF NOVA SCOTIA

Business Founded 1795

American Bank Note Company

Incorporated by Act of the Parliament of
Canada

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

Branches:—

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

Banks, Banking and Bankers

Union Bank Capital \$8,000,000.

The issue of \$3,000,000 new stock of the Union Bank of Canada, bringing the paid-up capital to \$8,000,000, has been over-subscribed. The bank thus commences its 55th fiscal year with greatly enlarged facilities for business. The annual report for the year just closed (November 30) will not be ready until the end of December, in anticipation of the annual meeting of shareholders which will be held in Winnipeg on January 8th. It may, however, be anticipated from figures already available that a satisfactory return may be looked forward to.

New Merchants Bank Director.

At the Merchants Bank directors' meeting held on November 28, Mr. E. W. Kneeland of Winnipeg was elected to a place upon the board.

The appointment of a Western man whose interests are entirely centered in the wheat business is an indication of the growing importance of our western country in the minds of the powers that be in our Eastern banks. Mr. Kneeland, who is a naturalized Canadian subject, having been born in the United States of Canadian parentage some 50 years ago, has devoted his whole life to development of the grain business in the United States and Canada. He is now general manager of the British American Elevator Company, vice-president of the Port Arthur Elevator Company, vice-president of the Saskatchewan Elevator Company and Liberty Grain Company. He is a director of the National Elevator Company, Home Grain Company, Grain & Produce Exchange, Traders Building Association, Canadian Bond & Mortgage Company, all of Winnipeg, and he is, of course, a member of the Winnipeg Grain Exchange.

The Merchants Bank, which has always done its utmost to further the interests of the agriculturists throughout Canada, is to be congratulated upon securing the counsels of a man of Mr. Kneeland's standing and experience along the lines mentioned.

The Canadian Bankers' Association.

The offices of the Canadian Bankers' Association have been moved from the Bank of British North America Building, Montreal, to the Dominion Bank Building, corner of Yonge and King Streets, Toronto.

Montreal Trade Report.

Bradstreet's Montreal Weekly Trade Report is as follows:—

The end of this week will practically close the season of navigation at this port to ocean going vessels. The severest storm on the lakes was experienced during the week, but owing to a large number of vessels being tied up for this season the loss to shipping was light.

Dry goods manufacturers are filled up with orders in all lines, which puts them in a very independent position. In the jobbing trade there is a big demand, but stocks are far from being complete. Advances are noted in grey flannels, Hessian cloths, velveteens, Nottingham laces, silks and ribbons, and the finer grade of wools.

A new feature in the fur trade of Canada is to hold public auctions at home instead of exporting our raw furs, one sale has already taken place in the West, the prices realized being better than export returns.

There has been more activity in the hardware trade. Manufacturers will accept business only

after giving each individual inquiry special attention, and at open prices at time of shipment. Wire nails, lead, sheet zinc, black and galvanized sheets all show advances in prices.

In the wholesale grocery trade there is a big demand for seasonable lines of dried fruits. A further advance of seventy-five cents per hundred pounds is noted in refined sugars. Teas, coffees and cocoa are held at advanced prices. It is predicted that molasses will go up to record prices.

Butter advanced to 70 cents at country points this week. Fresh eggs are in light supply, prices are higher than ever. Milk advanced this week to record prices for Montreal householders.

Wholesale boot and shoe houses are of the opinion that top prices have been reached for boots and shoes. A large purchase was made in this market during the week for export account for the French Parisian trade.

The retail trade is very active. Collections are fair.

DIVIDEND NOTICE

The Bank of Nova Scotia.
Dividend No. 200.

Notice is hereby given that a Dividend of four per cent on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Friday, the second day of January next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

H. A. RICHARDSON,
General Manager.

THE MERCHANTS BANK

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

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

Vice-President: K. W. Blackwell.

General Manager: D. C. Macarow.

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



AN ALLIANCE FOR LIFE

Many of the large Corporations and Business Houses who bank exclusively with this institution, have done so since their beginning.

Their banking connection is for life—yet the only bonds that bind them to this bank are the ties of service, progressiveness, promptness and sound advice.

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



The Necessity of a Reserve

Opportunities come with development—and the probabilities of rapid expansion throughout the Dominion should make every Canadian realize the necessity of building up a RESERVE FUND.

Don't wait and see good opportunities slipping by—prepare to take advantage of them! Open a savings account with this Bank and save regularly.

Interest allowed at current rates.

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STANDARD BANK
OF CANADA

Head Office :: TORONTO

MONTREAL BRANCH

E. C. GREEN, Manager,

136 St. James Street.

Canadian Bankers on Europe

Round-Table Conference the Only Way to the Salvation of the Old World—Canadians Should be Cautious About Extending Credits

"If an understanding between all nations is not soon reached it will be too late to prevent grave conditions arising in Europe" is the conviction which Mr. H. B. Shaw, general manager of the Union Bank of Canada brings back to the Dominion, upon his return from a two months' trip abroad. Convinced that the situation is "so acute, the time so short, and the danger so great that men fully realizing the situation and with power to act should get together," Mr. Shaw expressed the opinion that immediate action should be taken by the bankers of this continent.

Mr. John Galt, president of the Union Bank of Canada, Mr. Shaw, the general manager and Dr. C. A. Holder, president of the Park-Union Foreign Banking Corporation which is jointly owned and controlled by the National Park Bank of New York and the Union Bank of Canada, upon their return have completed an important banking mission overseas. These three widely known bankers attended the formal opening of the corporation's first branch in Paris, France and while abroad completed international banking arrangements in Belgium and Holland, thus broadening the available banking service for Canadian business men.

The Paris committee which was appointed consists of Viscount de Breteuil, M. Petail, M. Lillelund and F. W. Ashe, the latter assistant general manager of the Union Bank of Canada, resident in London. The new London Advisory Committee of the Union Bank of Canada consists of Austin Harris, Sir Keith Price, J. C. Blair of Kitson and Company, C. W. Small and F. W. Ashe.

"The position in which France finds itself today is completely obvious that there can be no difference of opinion," said Mr. Shaw giving his impression of conditions abroad. "France received in the war a shock of a terrible character. The blow was one of such force that the nation was stunned. Although a full year has elapsed there has been no recovery.

"It is impossible to visualize or to convey to one who has not actually seen for himself any clear idea of the devastation," he remarked, commenting upon a 250 mile motor tour which his party took. "In this area there was nothing left of the civilized life which existed prior to the outbreak of war."

"France cannot recover through her own exertions. That is impossible. The people must have help. What will happen if this aid is not forthcoming is that many of the conditions which prevail in Russia may extend to France.

"Conditions in Belgium on the other hand are good. The Belgium started working the day after the armistice with the result that they are now a producing country with a bright outlook.

"Conditions in Italy, Austria, and Germany are distinctly unsatisfactory. If the resources of the world are not pooled in some manner and used immediately to meet the requirements of all Europe the economic situation is in danger of destruction."

With further reference to Germany, Mr. Shaw expressed the opinion that the position of that country was so important in the economic life of all nations owing to the huge war indemnities which she must pay to the allied countries that the world cannot suffer it to be destroyed. The value of the mark has practically disappeared and under this condition very little progress can be made.

"Representatives of the nations must get round a table and decide what is to be done, and they must eliminate all greed and selfish claims if they are to be successful. It is absurd to suppose that the vast debts of the war will liquidate themselves without scientific preparation. There must be a readjustment and rearrangement and a writing off. I was extremely glad to see the statement of Lloyd George reported by cable to the effect that such a round table conference was to be held."

Mr. Shaw found the conditions in London satisfactory. "The problems there," he commented, "are being carefully looked after. The situation might be considered promising were it not for the menacing conditions on the continent. Manufacturing centres like Manchester were never so busy and most of the manufacturers have orders on hand which will keep them occupied well into 1921."

Worse Than Toronto.

A man from Nebraska went into a saloon in Kansas City and wrote on a piece of paper, "A glass of whisky, please."

The bartender did as he was bid and gave the man a drink, and after he was finished with this one he wrote for another and still another. Then he wrote, "How much do I owe you?"

The bartender said that was all right because he didn't charge deaf and dumb men.

The customer spoke up: "I—I'm not deaf and dumb; I'm from Nebraska and was so dry I couldn't talk."

LLOYDS BANK LIMITED.

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



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

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French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

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He will gladly advise you how to proceed in order to obtain the additional capital. His advice costs nothing and places you under no obligation.

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EDWARD C. PRATT,
General Manager.

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In our Savings Department you receive interest at the rate of 3% per annum added twice each year to the principal.

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1318 Wellington Street, Verdun

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Canada's Mining Industry

Gold Mine Prospects Improve

British Capital May Help Porcupine V.N.T. to Resume—
Petition Filed for Transfer of German Owned
Stocks—Mining Notes.

The Boston-McCrea Mine, at Boston Creek, is said to be showing up well under the diamond drilling that has been in progress. During the month No. 1 hole is stated to have cut four veins, all of which dip to the south, and two of them were found to be gold-bearing. The No. 2 diamond-drill hole is down 150 feet and has passed through ten feet of vein matter. This parallels a similar belt upon which a test-pit was started. The south No. 2 shaft has passed into the foot-wall side of the vein, at which point it is proposed to cut a station preparatory to cutting south for the purpose of exploring and developing the wide schist belt. Surface sampling, previously carried on, indicated an ore body some twenty feet in width and the present underground development program is considered to be important.

There are good prospects that Porcupine V.N.T. may resume operation in the near future now that there are prospects that British capital may be imported freely. The grade of ore in the mine is said to be comparatively high, the average being around \$10 to the ton. Before closing down, due to the shortage of labor, the main shaft had been carried to a depth of 600 feet, and plans were being arranged to continue to a depth of 1,000 feet. The mill on the Porcupine V.N.T. is adequate to treat from 100 to 120 tons of ore daily and should serve to swell the Porcupine output. The Associated Gold Mines of West Australia, Limited, an English company operating mines in Kalgoorlie, and also recent operations of the Keeley Mine in South Lorrain, are heavily interested in the Porcupine V.N.T. and in this direction lies the likelihood of the mine now coming in for a full measure of attention.

During the week ending November 28, four Cobalt companies shipped a total of four cars containing approximately 323,221 pounds of ore made up as follows: Buffalo, one car, 110,000 pounds; McKinley-Darragh, one car, 84,274

pounds; O'Brien, one car, 68,850 pounds; Hudson Bay, one car, 63,397 pounds.

Although details of the deal are lacking, it is pretty generally understood that the Northern Customs Concentrator Company are negotiating for the purchase of the original La Rose Mine and that the deal involves a price well up in the six figures. Provided the La Rose Company succeeds in selling its original holdings it will concentrate attention on its Violet property, it is said, the operation of which appears to be quite favorable. The Violet is situated adjacent to the rich O'Brien mine and a decision in connection with litigation over the correct location of the boundary between it and the O'Brien is pending. Should the present deal with the La Rose go through, it will give to the Northern Customs a compact block of about 62 acres, made up of 37 acres of La Rose and 25 acres formerly a part of the Chambers-Ferland.

In some of the newer workings of the Temiskaming Mining Company's property considerable high-grade ore has been found, according to President J. P. Bicknell, who has just visited the property. With the main shaft itself in position and the price of silver steadily rising, taken in conjunction with the fact that the company has a surplus in the neighborhood of a million dollars, the opinion is being freely expressed among mining men that it would not come as a surprise were dividend disbursements to be resumed.

Word from Kirkland Lake is to the effect that the Chaput-Hughes Gold Mines are installing a plant preparatory to the commencement of shaft-sinking. It is proposed to concentrate effort on the No. 1 vein of the company's property, which lies adjacent to the southern part of the Kirkland Lake Gold Mines. The Chaput-Hughes is well located, geological conditions being favorable, and with some excellent showings.

It is understood that included in the property optioned in the Fort Matachewan by Col. R. M. Thompson of New York is the Robb-Clemens claim, which was optioned some time ago by Messrs. Smith & Norrington. It is stated that one drill is already on the way to the property and that a second machine is to be sent in shortly.

The central shaft on the Miller Independence Mine at Boston Creek has reached a depth of about 350 feet. At a depth of 400 feet it is proposed to cut a station, after which the shaft will be continued to a depth of 500 feet. From the 400-foot and the 500-foot levels lateral work will be carried on, consisting of cross-cutting at the incline ore body which was developed to a depth of 200 feet in an inclined shaft.

Among the recently incorporated mining companies at Cobalt is the Golden Summit Mining Company, Limited, with an authorized capital of \$2,500,000, the incorporators being: J. G. Phillips, J. T. Kerr and H. Barron, as well as the R.W.F. Mines, Limited, with a capitalization of \$1,000,000, the incorporators being A. E. Heron, J. Cowan and A. V. Waters.

The indications are that the old Hargraves property and the Reliance in the Kerr Lake section of the Cobalt camp will be operated in the near future. To this end a new company is being incorporated, to be known as the Hargraves Consolidated Silver Mines, with an authorized cap-

ital of \$2,500,000, made up of 2,500,000 shares of the par value of \$1.00 each. Of this total, some 1,800,000 will be at issue and the balance being left in the treasury with which the financing of the operation can be accomplished. Day, Ferguson & Co. are said to have planned the consolidation and as yet have withheld full details concerning the personnel of the directorate of the new organization.

An indication that the gold-mining industry of the North has emerged from the economic strain caused by the war is seen by the declaration of a dividend of 25c a share on January 15th to shareholders of the Dome Mines of record December 31st. It is pointed out that during the fiscal year ended March 31st, 1918, the Dome Mine operated at a loss of \$45,869 and began its new fiscal year with a surplus of \$524,797. Then followed the unfavorable economic conditions of the closing year of the war which caused the mine to close down and resulted in a loss of \$455,456 during the fiscal year ended March 31, 1919. It was not until early in the past summer that conditions took a more favorable turn and the mine once more resumed production and from a mine with the surplus reduced to the zero point to actual resumption of dividend disbursements within about a year is considered quite an achievement. It is said that the company will have close to a million dollars surplus before the end of the current fiscal year, a prospect that is indicated by the present rate of output.

The annual report of the Hudson Bay Mines, issued recently, shows a small profit, amounting to \$3,921. Ore reserves are estimated at 101,995 ounces of silver. In addition to its Cobalt property, the company owns promising silver claims in Gowganda and also has an interest in gold mining claims in Kirkland Lake.

A petition has been filed in Montreal asking for the transfer to the Minister of Finance of Canada of a number of German-owned stocks now held by the Custodian of Alien Property in the United States. Included in this list are the La Rose Consolidated and Crown Reserve Mining Companies of Cobalt.

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Map of the Porcupine Mining District

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Telephone—Adelaide 1366.

Canada's Mining Industry

The Silver and Gold Market

Forced upward by the unabated demand from China and the Far East, and the curtailment of the already reduced supply, the price of silver has continued to advance. A further rise of one cent, and the silver in the American and Canadian fractional coins—half dollars, quarters and dimes—will be worth more than the face value of the coin itself.

The Guaranty Trust Company of New York points out how the reserve of silver dollars held by the United States Government may serve to break the price, and prevent the recurrence, in this country, of the situation which has arisen in France, where, the silver coins have almost disappeared from circulation, their place being taken by stamps and other evidences of value.

"The official price of silver today," said the statement, "is \$1.375 per ounce. Two weeks ago, it passed \$1.2929, thus making the silver in a silver dollar worth more than its face value. When it reaches a point just over \$18.38, the silver in the fractional coins in daily and constant use will be worth more than their face value.

"The question then arises whether there is any action open to the Government which will serve to prevent the hoarding and melting of fractional coins for their bullion value. In France and in England, where the line has already been crossed, an export embargo has been placed upon silver, and stringent laws have prevented the melting of coins. This action, however, has not prevented the hoarding of silver. In France, we are told, the smaller silver coins have almost disappeared from circulation.

"The United States is still an open silver market. Balances owing to the Far East can be settled by silver shipments, and great quantities of this metal, as well as gold, have been going out on the ships bound for India, China and Japan. It is possible, therefore, that it might be advisable for the Government to put a limit upon the amount of silver exported.

"There is, however, another possibility. According to the official statement of the Treasury Department, as of November 1, 1919, the Government still holds in the Treasury \$68,415,500 in silver dollars equivalent to about 53,000,000 ounces. Under the terms of the Pitman Act this great mass of metal can be melted down and turned into the market.

"It is quite possible that by this addition to the

visible supply, a further rise could be prevented, and the threatened danger to the fractional coinage eliminated."

In pointing out some of the factors which have made for the continued soaring of the price of silver, the statement called attention to the order of the Mexican Ministry of Finance, effective November 12, 1919, retaining for the Government mint half of the Mexican production of fine bars. This decree, though temporary, is subject to renewal.

Large amounts of gold, as well as silver, have gone to India, the statement points out, the movement being stimulated by the recent raising of the Indian Government's acquisition rate for the metal. In view of the disparity between the price at which the Indian Government acquired gold by issuing Rupee notes, and that at which it sells that gold in the bazaars (the Government's profit in such transactions is about 25 per cent), the company considers it not unlikely that some arrangement may be arrived at whereby the acquisition rate may be raised to a basis more equitable to American shippers of gold.

According to a statement issued following a special meeting of the shareholders of the Wasapika Gold Mines held in Toronto this week, the new consolidation plans were ratified. A large proportion of the shareholders were represented by proxy and it was decided unanimously to consolidate with the three properties to the north and a \$6,000,000 company will be formed. The Wasapika sells its property to the Wasapika Consolidated for \$3,000,000, each shareholder in Wasapika getting the equivalent of three shares for one. President G. R. Rogers gave a favorable account of the present position of Wasapika and its ore bodies.

Associated Gold Fields at Larder Lake, which has now, next to the three big producers at Porcupine, the largest gold-mining staff in the country, has accomplished a record amount of drifting and cross-cutting in the past month. Diamond drilling has also made good progress. Drifting on the 400-foot level of Block B has already picked up a couple of the rich shoots found on the 500-foot level. It is understood that above all outstanding liabilities, Associated Gold Fields has now \$748,000 cash in the treasury. About \$270,000 has been expended on development work this year.

Summary of Ontario's Mine Output

The curtailing of operations in the nickel-copper mines of Ontario is chiefly responsible for a tremendous shrinkage in the value of the metal produced in the Province for the first nine months of the present year. Up to the end of September, 1918, the mineral production was valued at \$49,599,036, while for the corresponding period of 1919 the total was only \$27,875,713. The extent to which the shutting down of operations in the nickel-copper fields contributed to this result is shown by a drop from \$20,105,087 to \$5,424,552 in nickel matte, and \$6,820,785 to \$1,906,936 in copper matte. Silver production showed a drop from \$12,500,980 to \$7,898,220, due to the miners' strike.

A slight increase in the production of gold is shown in the nine months' report of the Bureau of Mines.

The value of Ontario's metalliferous production for the first nine months of the year compares as follows v

	1918	1919
Gold	\$ 6,875,766	\$ 7,574,586
Silver	12,500,980	7,898,220
Platinum	1,447
Palladium	3,534
Cobalt metallic	702,717	174,782
Nickel metallic	214,507	2,732,676
Cobalt oxide	572,845	463,916
Nickel oxide	1,731	1,607
Other cobalt compounds ..	17,164	18,250
Other nickel	36,620	29,279
Molybdenite	54,671
Lead	115,117	54,802
Copper (blister)	79,137	756,883
Copper (in matte)	6,820,785	1,908,936
Nickel (in matte)	20,105,087	5,424,552
Copper ore	318
Iron ore exported	317,471	44,204
Iron (pig)	1,184,120	795,009
Totals	\$49,599,036	\$27,875,713

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33

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CORPORATION
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Toronto Halifax St. John London, Eng.

The Pulp and Paper Industry

The Book Paper Situation

The Canadian Pulp & Paper Magazine says: It is our opinion that the book paper situation will bring a good many worries, but is not likely to become as serious as that of newsprint. And we further believe that the newsprint situation is not likely to get much more serious than it is at present unless coal supplies are entirely cut off, although the market will undoubtedly remain exceedingly tight for at least six months, and the most careful conservation of available supplies will be necessary in order to enable everybody to have absolutely necessary amounts of paper. The distribution of available supplies will have to be very carefully carried out, and it will not surprise us if the distribution of newsprint becomes the most important function of the Paper Controller.

Associated with the newsprint situation is the market for groundwood and as the supply of this material is so dependent on fluctuations in water power the available amounts have recently become quite limited. The shortage of groundwood for newsprint on this continent has also been seriously affected by the large increase in shipments to Great Britain from sources which, during the war, supplied a considerable amount to Canadian and American newsprint mills. A revival of interest in box-boards is further restricting the supplies of groundwood. There is likely, however, to be some relief in the matter during the coming year through new production if, in the meantime, consumers are willing to restrict their demands to the lowest possible amount. Furthermore, it is not unlikely that

the present wave of advertising will die out somewhat and newspaper sizes come back more nearly to normal.

The situation in book papers appears to us somewhat different and as some of our readers may have better advice on the subject we should be glad to have them express their views. In the first place, it seems that while magazine advertising has increased considerably, the increase is by no means as great nor has it been as rapid as in the case of newspapers. There has been some increases in the capacity of sulphite mills, at least in Canada, recently, and there will be still further supplies shortly available, although the market is tightening now, and production is approaching the capacity of the mills.

Most magazine papers are made with a basis of wood pulp, although some contain considerable amount of waste papers. Of course, the larger the amount of paper consumed, the larger the amount available in the form of waste, although the percentage returned to the industry is likely to decrease as the consumption of paper by publications increases. The wood fibre principally used is chemical pulp and this is not much affected by water condition, although the production may be very seriously interfered with if the coal situation is not soon remedied. The third principal ingredient of book papers is china clay and the supply of this material is dependent principally on transportation facilities. One feature of the use of chemical pulp that is encouraging is the fact that when a pinch comes it is possible to crowd the digesters a little.

Like The Hall Mark On Silver
Is The Watermark On Paper

THIS WATERMARK

Guarantees Quality

Look for it in all our Stationery

Howard Smith Paper
Mills, Limited

Montreal

Immense Profits on Exchange Alone

Strength in the Canadian pulp and paper stocks recently has been due not only to the increased demand for newsprint on the American continent but also to the conviction that the present advantageous exchange situation far from being temporary, is likely to last for a considerable period. The Greenshields Review points out that Brompton, for example, is making out of exchange alone a profit exceeding 3 per cent on its common stock. The review says:

The common stock, since being originally issued over our name in 1916 at \$59 per share, has paid substantial dividends without interruption and should continue to do so. At the same time the

company has been consistently re-investing in its property an amount approximately equal to that paid out in dividends. Prices of newsprint and other pulp and paper products for 1920 are such that the year to come should be the most profitable ever experienced by Canadian pulp and paper companies.

At the current rate of exchange for U.S. funds, Brompton's profits for twelve months from exchange alone would amount to \$220,000. This does not include any exchange on sales made by the American mills of the company, but merely on sales made by the East Angus and Bromptonville plants to the U.S.

Interlake Tissue Mills, Limited

Manufacturers of a full line of White and Colored M. G. Tissues, Brown and Colored Light Weight M. G., Kraft, White and Colored Sulphate Wrap, all grades of fruit Wraps, Dry Proof Paper. A full line of Toilet Paper, Paper Towels, Paper Napkins, Decorative Crepe Rolls, Lunch and Outing Sets.

Head Office, 331 Telephone Building
TORONTO Mills at Merritton

A Five Million Dollar Sugar Deal

Rumors on the "Street" to the effect that there is in course of preparation for the Canadian investment market a large new issue of sugar securities were confirmed by the statement in authoritative quarters to the effect that Royal Securities is at the present time completing one of the largest pieces of corporation financing that has been arranged in Canada for some time.

It is understood that the corporation, associated with other financial interests, has undertaken the financing of an extensive sugar estate and factory in Cuba with an annual productive capacity of over 81,000,000 pounds of raw sugar per annum. The transaction is believed to involve between five and six million dollars, the corporation and its associates having successfully negotiated the purchase of one of the lowest-cost producing sugar mills in the Island. The mill is located in Oriente, a Province of Cuba well known as one of the largest cane-sugar producing districts in

the world. It is efficiently managed, has behind it a record of low-cost production and is thoroughly equipped to take full advantage of the prevailing profitable prices for raw sugar.

Although perhaps public attention has of late been more focussed on the activities of Royal Securities in the field of pulp and paper financing than upon any other of its spheres of operations, it has for many years been interested in Cuban hydro-electric and industrial enterprises, among the Cuban corporations whose securities it has placed with Canadian investors being those of the Camaguey Electric Company and the Guantanamo Electric Company.

It is understood that the securities of the new flotation are now being underwritten with such success that it is doubtful if there will be any large part remaining for public issue which will probably be made within the next few weeks.

The Pulp and Paper Industry

Pulp Land Sales Very Active

Considerable activity in Quebec's pulp limits and freehold pulp lands is going on and a number of important transactions are taking place.

The Turner limits at Lake Edward, comprising about two hundred and eighty square miles, have been sold to the Howard Smith Co., for a sum in the vicinity of \$300,000. The Howard Smith people will most likely cut the timber on this property and transport it in cars to their sulphite mill at Joliette.

A few weeks ago Mr. M. C. Small, wood superintendent of the Laurentide Paper & Pulp Co.,

purchased the Carrier limits, on the Cascapedia River, amounting to about one hundred and seventy square miles. It is said that the price paid was in the vicinity of \$700 per square mile. These limits were bought for a syndicate, in which Mr. Small is interested, and it is rumoured that it has refused quite an advance on this figure since the sale was put through.

Another syndicate has purchased two millions of feet of lumber along the Transcontinental Railway at a price of \$27.50 per thousand feet. Other big sales in the pulp and lumber business are still pending.

Lake of Woods Stock Issue.

A circular has been issued to shareholders of the Lake of the Woods Milling Company setting forth the terms and conditions of the new common stock issue of the enterprise, whose rights to subscribe at par to the stock on the basis of one share of new for each three shares of old held will expire on January 30 next.

Subscriptions are to be made in two payments of 50 per cent, the first being payable on January 30 next, and the second on or before February 27. If shareholders so elect, payment of one or both of the instalments may be made before the due dates, but it is stated that no interest will be allowed on such payments.

It is not the intention of the company to issue the new stock in fractional shares, and shareholders are advised that if certificates of subscription for fractions of a share cannot be obtained in the market to make up the whole shares, the fractions held should be disposed of.

In order to participate in the dividend for the quarter ending May 31, 1920, the fully paid-up certificates of subscription to be issued for the new stock must be sent to the Crown Trust Company here for exchange for share certificates of the common stock of the company, on or before that date.

The Next Generation of Farmers.

The Canadian Seed Growers' Association have issued a booklet on "Study and Improvement of Plants and Seeds," for boys and girls. The production of better varieties of grain and garden seeds is a very interesting work and by getting the boys and girls in rural districts to take this up the association is doing very valuable propaganda work.

The back portion of the booklet enumerates a number of easily carried out experiments without in any way pointing to what the results will be. This is a splendid endeavour to better the next generation of Canadian farmers.

Wood Distillation.

The Dominion Bureau of Statistics have issued a booklet dealing with wood distillation. The manufacture of munitions on a large scale gave considerable impetus to this industry.

Thirteen plants, eleven of which are distillation plants, and two refineries furnish the entire production and are, with two exceptions, controlled by the Standard Chemical Iron and Lumber Company of Canada, Limited. According to location, there are four distillation plants and one refinery in the Province of Quebec and seven dis-

tillation plants and one refinery in the Province of Ontario.

Crude wood alcohol is refined by fractional distillation to produce methyl alcohol and methyl acetone or acetone-alcohol. Formaldehyde is a product of methyl alcohol. Acetate of lime is some times sold as such, but for the most part is converted into acetone or into acetic acid. Charcoal is sold either for domestic fuel or for the manufacture of charcoal iron. The by-products, gases, oils, and tar are burned under the retorts, with the exception certain oils of commercial use and value.



St. Maurice Paper Company Limited

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MANUFACTURERS OF
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Paper Mills, Cape Madeleine, Que.
Lumber Mills, Charlemagne, Montcalm,
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The Spanish River Pulp and Paper Mills, Limited

Sault Ste. Marie - - Ontario

Daily Capacity.

500 Tons Newspaper
400 Tons Groundwood
220 Tons Sulphite
35 Tons Board

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QUEBEC

SAW MILLS:

Batiscan Montmagny Cape St. Ignace Rimouski
Matane Salmon Lake Saguenay District

PAPER AND PULP MILLS:

Kenogami Jonquiere Rimouski

Insurance News and Views

"Life Insurance Day" a Valuable Idea

The project of a National Thrift Week, with a special day devoted to Life Insurance, which is now under way in the United States, is one which urgently needs to be studied and imitated in Canada. It is taking place under the aegis of the Y. M. C. A., whose general Secretary, Frederick B. Shipp, thus described it to be the Life Underwriter's Convention in Pittsburg last month:

Mr. Frank Vanderlip recently returned from a trip to Europe when he made a thorough study of the financial situation in practically all of the European countries. In his book, which gives a comprehensive view of the economic conditions of these overseas countries, he writes of the essentials of peace in industry as summed up by Lynden Maccassey, who has had enormous experience during the war in handling the English labor situation. One factor on which he says contentment in industry depends, is economic

education. It is concerning an undertaking which has as its purpose the wide dissemination of sound economic doctrines, that I am to discuss with you to-day.

There are several economic conditions in our own country that are giving great concern to the leaders in industry, both those related to organized labor and those having to do with management. It is generally recognized that the cause of this unrest lies in the lack of fundamental information on simple and sound economic doctrines. The solution of many of these problems therefore, can be obtained only by a nationwide fund of information which will educate our people in these important truths.

Economic Education and Bolshevism.

Take for instance the matter of Bolshevism which is now more wide spread among the ranks of our working people, both skilled and unskilled, and especially unskilled, than most people appreciate. Bolshevism is the product of either no education at all on simple economics, or an education which has been misconceived and has led into an erroneous realm of thought. Even in very recent strikes, many of the workmen have been led to believe that in leaving their jobs, they are starting a revolution which will result in the overthrow of Capital, and the passing of the control of all industrial businesses to the workers. If these men had been reached with a simple message showing the place which the employer has in industry, as well as the employee, and that the interests of both are identical; if these men could have been apprised of the way in which Bolshevism is working out in Russia, they would never have walked out from the industrial plants to further handicap production and disrupt industrial progress.

Thinking Straight About Money.

As this condition has become more apparent, it has been impressed upon the leadership of the Y. M. C. A. that there is a religious duty to be performed in helping young men and boys to think straight about their money matters. For many years the Association has been conducting a program designed to help meet the physical, educational, social and religious needs of men and boys. However in carrying out this program, the Secretaries have found that a great many of the problems of young men and boys lie in the realms of economics; that they have to do with money matters, and that the manner in which these problems are solved has a direct bearing on character development. A few years ago some of the local Associations began to conduct thrift activities, the results of which appeared to be so practical and worthwhile that they have been rapidly extended until in June, 1918, the Employed Officers' Conference of the Y. M. C. A., at Springfield, Mass., unanimously adopted the following Resolution:

"RESOLVED, that meeting the Economic needs of men should be considered as worthy of a place with the physical, educational, religious and social work, and that it be regarded as the fifth part of the Association's fivefold program."

The thrift activities which have become standardized are now known as the "Economic Program" of the Association. The purpose of this program is to help young men and boys to think about money matters in the realms of earning, spending, saving, investing and giving. The Association while recognizing that the Spiritual is more important than the Material, recognizes also the fact that it is difficult for the man, handicapped by having most of his energies absorbed in making both ends meet financially, to enjoy the spiritual freedom which ought to be the right

Solid Growth

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

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

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

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HEAD OFFICE - MONTREAL**

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The largest general Insurance Company in the World.

Capital Fully Subscribed.. . . .	\$14,750,000
Capital Paid Up	4,425,000
Life Fund & Special Trust Funds	75,578,630
Total Annual Income Exceeds ..	64,000,000
Total Funds Exceed	172,000,000
Total Fire Losses Paid	215,897,380
Deposit with Dominion Government (as at 31st Dec., 1918) ..	1,401,333

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

Applications for Agencies solicited in unrepresented districts.
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Founded in 1806.

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

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277 Beaver Hall Hill, MONTREAL.
Agents wanted in unrepresented towns in Canada.

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Every Agent Wants

to represent a Company whose name is his introduction. One whose policies are unexcelled. Liberal dividends. Strength and security unsurpassed.

The figures for 1918 emphasize these points in the North American Life.

Business in Force	over \$70,900,000
Assets	18,100,000
Net Surplus	2,750,000
Payments to Policyholders "	1,700,000

These are reasons why the Company is known as "Solid as the Continent." Correspond with E. J. Harvey, Supervisor of Agencies.

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BUSINESS INSURANCE

on the lives of the men who run the business is just as important as fire insurance on the property. Fire is a possibility but death a certainty.

The ready cash for a Canada Life Business Insurance Policy at such a time will readjust matters and carry on the business as nothing else can do. Ask for particulars.

CANADA LIFE ASSURANCE COMPANY
Home Office - - - Toronto

of every citizen of our country. It believes that by helping men and boys to earn honestly, spend wisely, save consistently and share with others, it is helping them towards the basis of economic advancement which makes possible the more complete development of their spiritual natures.

Among the activities included in the Economic Program are the organizations of Savings Clubs in industrial plants, schools and the Y. M. C. A. membership, the conducting of practical talks which convey information on some of the economic problems of which I have been talking, the distribution of literature which also carries educational propaganda, the display of thrift exhibits which have been especially prepared for this purpose, the giving of vocational counsel through organized counselling committees of recognized leaders in community life, the helping of young men and boys to secure proper vocational placement, and the annual observance of National Thrift Week. These are only a few of the various activities. But it is my purpose to call your attention especially to the program of National Thrift Week beginning January 17, 1920, Benjamin Franklin's birthday.

During National Thrift Week of 1920, through the united co-operation of the various business and professional interests of the country, and under the direction of the Association, a neutral organization interested only in bettering community conditions, it is hoped to dominate the thought of the entire country for a week on a broad conception of thrift. To secure this broad conception, a financial creed consisting of ten points, each point relating to a definite Economic problem will be recommended. It is called the ten commandments of a man's financial life. Hundreds of thousands of young men and boys will be asked to adopt this creed and put it into practice in their own lives. Those who sincerely do this will at once become substantial citizens of our country from whom nothing can be expected but loyalty and devotion to the country's best interest.

The ten points of the Financial Creed are as follows:—

The Financial Creed.

1. Spend less than you earn, to assure your being on the road to success.
2. Make a budget, to ascertain how you should dispose of your income.
3. Keep a record of your expenditures, to see how close you come to your estimates.
4. Have a bank account, to keep your money in a safe place and help you save.
5. Carry life insurance, to protect your loved ones in case of your death.
6. Make a will, to insure your resources going quickly to those you desire.
7. Own your own home, to secure the greatest satisfaction in your home life.
8. Pay your bills promptly, to meet the moral obligation you have to your creditors.
9. Invest in Government securities, to help your country and to make a wise investment of your savings.
10. Share with others, to fulfill your religious duty of stewardship.

In order to secure the most widespread dissemination of the economic truths involved in the financial creed, each day of the entire Thrift Week has been set aside for the purpose of emphasizing a particular phase of thrift. Instead of talking each day of the week about the abstract matter of thrift, it has been thought that by taking up a special economic problem each particular day, and weaving around it a particular lesson, the cumulative result of the entire week's program would be for those reached, a liberal education of thrift. The first three are:

"National Thrift Day" or "Bank Day," Saturday, January 17, Benjamin Franklin's Birthday.—To emphasize the service a bank renders the community. That a bank is the fundamental and

tremendously valuable asset to any community, and to the economic welfare of the country, is a fact which very few people appreciate or understand. To educate a community on this point alone might be well worthwhile the setting up of the entire week's program.

"Share With Others Day," Sunday, January 18,—To emphasize the importance of sharing with others and to bring out the fact that how a man thinks about his money matters is fundamentally related to his character development. Given a man who is thinking straight about his money matters you have one who is not far from what the Bible refers to as the "Kingdom of Heaven."

"National Life Insurance Day," Jan. 19.—To emphasize the importance of protecting one's loved ones with life insurance. The value of life insurance is so much taken for granted in some circles, we fail to appreciate that a large number of people in our country have no conception of its value. This is well illustrated by the fact that over 90 per cent of the men demobilized from the Army gave up their life insurance, which was certainly a most desirable thing to keep from the standpoint of economics.

News of the Week.

Sir Robert Borden was waited on by representatives of the Navy League of Canada, who presented their policy regarding the building and maintaining of a larger mercantile marine. The details were not announced but it is known that the suggestion was for a merchant fleet built and controlled by the Government. Sir Robert promised consideration but drew attention to the financial difficulty of the scheme and the country's policy of retrenchment.

The coal shortage is becoming so serious that the Canadian Pacific Railway have cancelled one of their crack transcontinental trains.

The temporary board of management of the Grand Trunk Railway System, it is intimated, is

unlikely to be appointed until early in the next year. The agreement with the company, which is on its way to London, will have to be ratified by the shareholders before any appointments can be made.

There was a riot in Kitchener when it was proposed that the name be changed back to Berlin. It is generally believed that this has sealed for all time the decision to have no name other than one in keeping with British traditions.

A band of demobilized English girls who served in the Queen Mary Army Auxiliary Corps have come to Canada to enter domestic service and act as farm helpers.

Deaths of the Week.

Deaths of the week include:

Col. F. D. Lafferty, superintendent of the Dominion Arsenals throughout Canada. He was born at Pembroke in 1876 and graduated from the Royal Military College.

Stephen Pearson Brown, the engineer who had charge of C.N.R. tunneling under Mount Royal, was drowned when the ice broke beneath him at Sebec Lake, Maine.

Senator Peter Talbot of Lacombe, Alberta. He was summoned to the Senate on March 8, 1906.

John Wentworth, for the past seven years manager of the Canadian branch of Waring & Gillow, at Montreal. During the war, Mr. Wentworth was engaged by the British Government in the purchase of war materials in the United States.

Our Ambiguous Language.

Telegram from Bob (away on a survey job) to his wife in town: "Have forgotten drawing tools; please forward at once."

Note in reply from Mrs. Bob: "Dear Bob, do you want your triangles or a corkscrew?"

Review of the Newest Books

By H. S. ROSS.

EMPLOYMENT MANAGEMENT: Selected articles compiled and edited by Daniel Bloomfield, with an introduction by Meyer Bloomfield. The H. W. Wilson Company, 958-964, University Avenue, New York City. Price \$1.80 net. $\frac{1}{4}$

The purpose of this volume is to present the best material available on the subject of employment management in the form of a handbook for ready reference.

Students especially will find this book of great value as will industrial executives who are interested in the human problems of management.

In some of the articles ideas and facts are repeated particularly in discussions concerning labor turnover. Such repetitions will help drive home facts which otherwise might be neglected.

To make the book of the greatest practical value an appendix has been added containing examples of typical forms used in any well-organized employment department.

The articles reproduced will be helpful as the information given is practical. It is the first book of its kind and will meet a need not otherwise met.

BRIDGING THE CHASM, A Study of the Ontario-Quebec Question, by Percival Fellman Morley. J. M. Dent & Sons, Ltd., 25-27 Melinda Street, Toronto.

The following vital questions are asked and answered in this interesting book:

1. Is Quebec plotting to dominate Canada?

2. Have minorities any rights?
3. Whither is Canada drifting?

This book shows a fine spirit and let us hope it may help many Canadians who are apt to think perhaps rather narrowly on this question to revise their opinions. The author explains in his foreword that the manuscript of this book was practically completed before William H. Moore's now well-known and exhaustive work, "The Clash," which deals with the Ontario-Quebec difficulty, was out of the publisher's hands. The author has attempted to look at this problem from an angle which affords a truer insight into the problem than is usually attained in Ontario. He is a Canadian of English-speaking parentage and Protestant up-bringing, who has had the opportunity of living among the people of the Province of Quebec. He has learned to understand them and to appreciate their point of view and has been driven to the conclusion that in a great measure it is within the power of the English-Canadians to bring about the solution of our race problem and to promote better relations between the two peoples. The author is one of those who believe that race difficulties may be solved "not by might nor by power" but by the tolerant spirit.

The book is dedicated "To the memory of those noble souls who, in the face of untold perils and privations, carried the light of civilization and Christianity into the wilderness and laid the foundations of New France and of the future of Canada."

Ships and Shipping in Canada

Steamships Common to Pay 7 per cent

Almost immediately after the declaration of a regular quarterly dividend at the 4 per cent rate, the directors of Canada Steamship Lines, Limited announced that the rate of distribution on the common stock would henceforth be 7 per cent. This announcement indicates a complete confidence on the part of the management that earnings can be maintained on a level to justify such a distribution for an indefinite period. It had been expected that a 6 per cent rate would be established, with perhaps a bonus for the current period, which would not have committed the company to any more than the 6 per cent rate for the future.

It may be questioned whether the stock market has even yet fully adjusted the price of this se-

curity to its new intrinsic value. Closing the week at 79, ex-dividend, the stock still offers a yield of almost 9 per cent. It has risen from a low point of 42 early in the current year. The career of this company has been a remarkable justification of the management which has been in charge of the affairs of the company ever since the present consolidation was effected. At the time the company was formed the common share capital of \$12,000,000 looked somewhat large on this account the credit to the management is all the greater that it has been able in a few years to build up earnings that have permitted the directors to continue a conservative policy and at the same time pay a dividend of 7 per cent per annum.

U.S. Pacific Trade For Canadian Ships

United States Pacific Coast cities are becoming alarmed at the extent to which Canadian and Japanese services are getting hold of the Pacific carrying trade. A delegation headed by the former U. S. Minister of China, Dr. Paul S. Reinsch, saw the Shipping Board in Washington last week and urged allocations of American ships for the China trade. China, Dr. Reinsch said has awakened to the automobile, and to-day there was an opportunity for the sale of at least 10,000 motor cars. There was opportunity for American manufacturers to sell cotton goods, chemicals, drugs, glass and all kinds of products, but the ships to carry them to Oriental ports were lacking, he declared. It was pointed out that from the Puget Sound

district, as an instance, 93 per cent of all the cargo traffic is carried in foreign bottoms. At least 50 per cent of all export and import traffic, including passenger service, should be carried under the American flag, according to the views of the Pacific Coast men.

Outlining the plans of the foreign steamship lines, it was said that the Nippon Yusen Kaisha intends to place three or four new first class ships in the Pacific routes within the next six months. The Canadian Pacific is also planning to operate two more large mail and passenger vessels.

The Pacific Coast representatives came armed with a great detail of statistics showing the opportunities for profitable management of additional vessels. They stated that the British, Canadian and Japanese lines find the routes profitable and that American ships would likewise prove successful.

It was argued that the ports of call should occasionally include Calcutta and other British Indian ports, as well as Australia, China and Japan.

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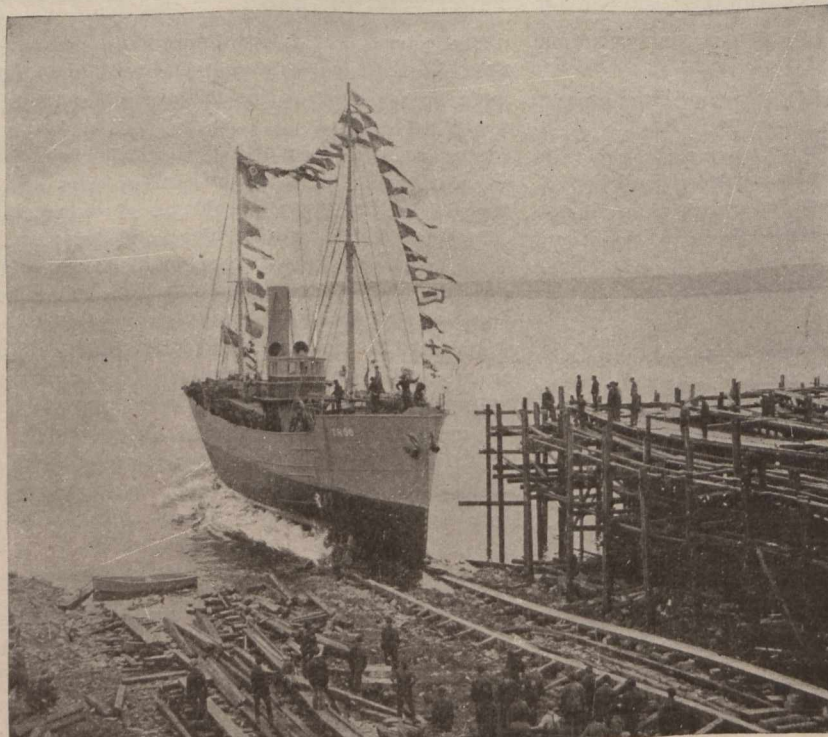
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Outlook for Canadian Trade and Commerce

BANK OF MONTREAL ANNUAL MEETING

Sir Vincent Meredith, the President, Favored System of Taxation that would Affect all Classes of Community who have Ability to Pay—Sir Frederick Williams-Taylor, General Manager, Points Out that there has been no Profiteering by Banks During War Period, as Loanable Funds had Remained Unchanged—Bank had never been in a Healthier State.

At the annual meeting of the Bank of Montreal at the head office of the bank, Sir Vincent Meredith, the president, in his annual address, took occasion to refer particularly to the many problems with which Canada was at present confronted and to the best manner in which these could be solved. It is generally recognized that these problems at the moment are of almost unprecedented character and, therefore, they are of the greatest importance to the mercantile interests of the country.

Sir Vincent attributed the high cost of living very largely to the pressing demands of European countries for commodities of every nature. He considered that in Canada it might be possible to look forward confidently to a reduction in all commodities, both at home and abroad, after another harvest.

He dealt particularly with the change in opinion that had developed as regards the relation of gold reserve to note circulation. He expressed the view that it might be a part of wisdom to depart from the old notions of the rigidity of the gold reserve and recognize that we are justified in enlarging our note issuing powers to respond to all legitimate business demands in periods of great trade activity or emergency, provided such expansion is based on self-liquidating securities.

The president also pointed out that it was vitally important that the unoccupied areas of Canada should be settled and made productive with as much rapidity as possible, the future prosperity of the country and ability to meet our debts being largely dependent on increased production.

The question of taxation in Canada also received particular attention and Sir Vincent expressed the view that trade was being hampered by a somewhat penalizing excess business profit tax. Furthermore, enterprise and expansions are stifled and foreign establishments deterred from entering the Canadian industrial field. He expressed the view that Canada should do away with many exemptions and impose taxation on all classes of the community who have the ability to pay and at the same time place a higher tariff upon imported luxuries, which would cause little hardship and at the same time considerably ease a strained financial situation.

Difficulties to Be Overcome.

Sir Frederick Williams-Taylor, the general manager, dealt more particularly with the record of the bank during the past year, but also touched on many of the developments outside of the country which had a bearing on the situation. Sir Frederick stated that it was no reassuring reflection that the United States has already reduced her war debt by some \$800,000,000, while Canada was confronted with an increase of \$600,000,000 for the current year.

Sir Frederick took occasion to point out that it was a matter of sufficient importance to bear repeating that there had been no profiteering

whatever by the banks of Canada, for the price of money had not been raised. Alone of all commodities, the cost to the borrower of loanable funds of the banking institutions of the country had remained unchanged. Not only was this the case, but speaking for the bank itself, it was only proper that the shareholders should know that in handling business entrusted by the several governments during the war and since, the policy had been to charge only the narrowest of commissions and minimum interest rates. In many instances, where the services were of a war character, the bank had acted free of charge.

Sir Frederick also dealt particularly with the position of exchange as between Canada and the United States. He pointed out that the repayment to Canada of the monies aggregating \$420,000,000 owed us by Great Britain and the Allies, would quickly cause the premium in question to disappear. Referring to the financing which the Dominion Government had carried out in New York, when it secured \$75,000,000 for refunding purposes, Sir Frederick stated that the terms paid by the Government were onerous but unavoidable. Evidence that the price of issue was in keeping with the American conditions is furnished by the fact that there has since been no rise in the quoted price. Incidentally it could be mentioned that Canada secured as good terms as in the case of the recent British loan of \$250,000,000 in the same market.

A satisfactory sign of the times in Canada was the increase in buying power for first-class securities. This is a healthy and desirable condition, induced by Government war loans and war savings certificates. It is vital that Canadians should recognize the virtue of saving, as between production and thrift, though they go hand in hand, the latter is fundamental and leads naturally to the former.

General Trade Activity.

Sir Vincent Meredith, in his address to shareholders, said, in part:

"General trade in practically all branches had been active and profitable during the war and the bank has participated in the general prosperity. The balance sheet shows profits in moderate proportion to the resources employed, and yet, I trust, not unsatisfactory to the shareholders. That reaction from the feverish activities and high prices produced by the vast conflict, which so many apprehended, has not occurred, nor can it be said to be impending. The feeling as to the future is less optimistic than it has been, but the great pressure on our agricultural and manufactured resources, caused by home and foreign demand, shows no signs of abatement.

"In one important respect, normality has come again—the mercantile sea-going tonnage of the world has been restored to pre-war dimensions and is rapidly being increased, an accomplishment that should soon permit of regularity in the carriage of overseas trade and in a reduction of

freight rates and cheapened cost of commodities.

The high cost of living, about which so much is being said and for the relief of which so many remedies are suggested, is a world-wide, not a local, condition. It is due, in part, to the large volume of currency now in circulation, which to a considerable extent must be regarded as credit expansion largely the result of Government borrowings and the disbursements of the proceeds thereof, together with post-war activity.

"The depreciation of currency, however, is not wholly an unmixed evil, as it acts as a corrective to adverse trade balances by checking imports and stimulating exports.

"In the absence of gold, large issues of paper money have been made necessary in all countries to meet the demand for a circulating medium in consequence of abnormal business activity, coupled with war expenditures. The effect has been the demoralization of all exchanges.

"To restore the reserves of metal and provide an effective gold standard correcting the over-issue of paper money will take time, and can only be brought about by economy and increased exports. The stabilizing or pegging of exchange I believe to be inadvisable, owing to its prohibitive cost. In any event, it would be futile to attempt to do so until there is a cessation of Government borrowings.

Three Indispensable Factors.

"There are three indispensable factors to the upbuilding of Canada—immigration, production and exports. Immigration during the last five years has been negligible, owing to the war. In the first seven months of the current fiscal year, new arrivals numbered 82,893, of whom 42,377 came from Great Britain and 35,949 from the United States. While these figures do not represent a large movement as compared with several pre-war periods, they show a gain of 51,734 immigrants, or about 166 per cent over the corresponding months last year. After-the-war emigration of foreign-born has taken place in fairly large volume, the exact figures of which are not obtainable.

"With regard to the subject of foreign trade, it is only a matter of time before increased production will overtake domestic demands, and unless preparations are made in advance for finding markets overseas for our exportable surplus of raw materials and manufactured goods, our uninterrupted prosperity may be checked. The needs of foreign countries are great and pressing, and profitable business awaits the Canadian exporter, but it cannot be acquired unless long-term credits are provided.

"Our Government has been far-seeing in giving assistance in this direction, and, no doubt, is prepared to extend further aid, provided exporters, who reap the benefit, will assume a proportion of the risk.

"Self-interest alone would seem to dictate that credit facilities be extended to those countries who can demonstrate their ability to pay if given reasonable time, and we would thus avoid the possibility of abrupt changes in industrial conditions and bring about a gradual return of international equilibrium.

"I cannot close without voicing what, I am sure, is the feeling of every Canadian—that the recent visit to Canada of His Royal Highness, the Prince of Wales not only gave abiding pleasure to every class of our population, but rendered a great and memorable service to the Empire in strengthening the Throne in the affection and confidence of the people, and by drawing still closer the ties which bind the commonwealth of nations over which he is destined to reign."

Many Problems to be Solved.

In presenting his report to the shareholders of the bank, Sir Frederick Williams-Taylor, the general manager, said:—

(Continued on Next Page.)

Outlook for Canadian Trade and Commerce

"The economic and financial difficulties that confronted the country during the war have changed in nature, but have not disappeared by any means. There is an aftermath of problems which Canada must face and in which bankers are vitally concerned. At present there is great trade activity; yet our national debt grows apace, with attendant ills. Therefore, even with a full measure of faith in our country, I find the near future difficult to visualize. We derive a measure of consolation in comparing our lot with that of countries worse off than our own, but contiguity and ambition direct our eyes towards that country to the South which has benefited so vastly by the war.

Exchange Situation.

"The premium on New York funds, the increase in our national debt and in our Canadian currency circulation, are matters of deep interest and should be studied by all.

"The purchasing power of the Canadian dollar in the United States has decreased, as reflected in the premium on New York funds. A year ago it cost two dollars to send one hundred dollars to the United States of America; today the cost is four dollars.

"Exchange is now a subject, which as an English authority states, 'insists on bringing itself to the attention of all kinds of people who hitherto regarded it as a sort of mysterious cryptogram with which they had no practical connection.' In elementary terms, more money continues to flow out of Canada than comes in, thus creating a net balance against us after taking all transactions into account. New York being our natural clearing house for transactions with Great Britain and the rest of the world, it is clear

that the present extraordinary cost of sending money to the United States would not exist but for the fact that we cannot spare the gold with which to pay the net balance in question against this country, while, in common with all countries, our legal tenders are naturally not current abroad. We should have precisely the same conditions between our own Provinces, were it not that our legal tenders and bank notes are current throughout the Dominion.

"It will interest you to know that on my recent trip to the Pacific Coast, when I travelled nine thousand miles in visiting various branches of the bank, I met some 110 of our managers, and returned more than ever satisfied with the personnel, the intelligent loyalty and devotion of our ever-increasing staff of officers.

"Such meetings are advantageous to the bank and an inducement also to close relations between the bank and its friends at distant points.

"It is impressive and satisfying to view the Dominion's greatest quick asset, the rich wheat areas of our three Western Provinces, at harvest time. While this year the yield was not up to the mark, the Western farmers had much to be thankful for.

"In British Columbia, one is struck by the confidence of the people in the future of their rich and beautiful province, with its wonderful climate. It is a healthy sign that the men of affairs in the West hold such sane views concerning the outlook locally and for the Dominion at large.

"I hope that time may presently permit me to visit other divisions as I did British Columbia and the Northwest.

"In concluding, I have no hesitation in expressing the belief that the affairs of the bank have never been in a healthier state. Our domestic business is expanding satisfactorily, our foreign branches and connections have been adequately extended to meet the development of the country's

trade, and, what is more important, we are well equipped in point of staff. Altogether, I feel that we are well prepared to meet any conditions and contingencies that may arise.

Overseas Record.

"The record of the staff of the bank overseas showed that 1,405 members of the staff had served with the colors. Of this number 1,182 had survived, of whom 663 have already been reinstated. Of the total who joined it was Sir Frederick's sad duty to record the fact that 223, or 16 per cent, gave their lives for their country. In paying tribute to them, Sir Frederick said:—

"No words of tongue or pen can fully express our pride in, or our admiration for, these gallant young crusaders. It must suffice to say that their names are not merely written in the records of this bank and in the history of the Empire they served so well, but live on far away, woven into the fabric of other men's lives. Such dead are honored with unchallenged admiration."

Brazil's Trade Largest Since 1914.

According to a recent report the total imports into Brazil during 1918 were the largest since the war began. Since 1914 the United States has had a larger share of the trade of Brazil than any other country, although the difference was not so marked during 1918 as during 1917. Imports from Japan show a very healthy increase, and according to present indications its trade will be far greater in 1919 than in any previous year. The Japanese appear to be studying the market in a most careful manner, and it seems are able to supply certain small articles of merchandise at an exceedingly low figure which were formerly received from Germany. The increase in value of goods from Argentina and Uruguay during the war period is also of interest.



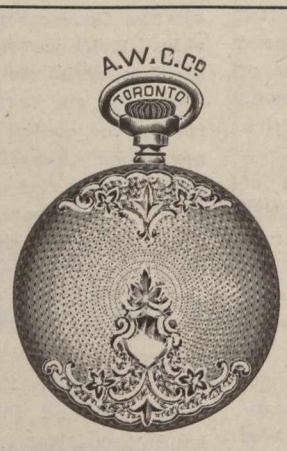
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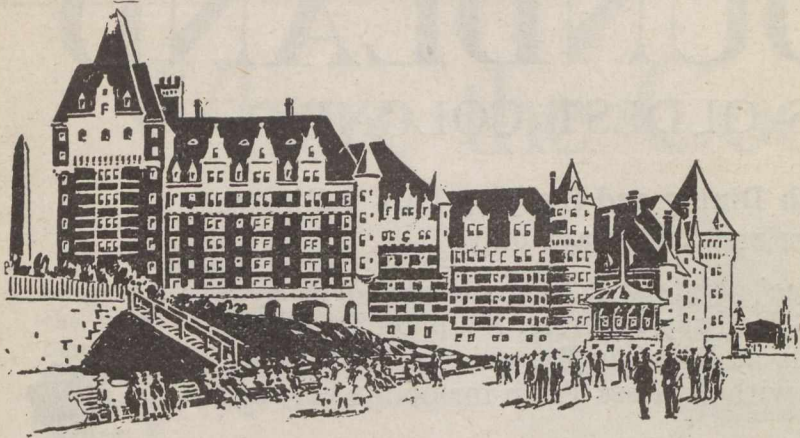
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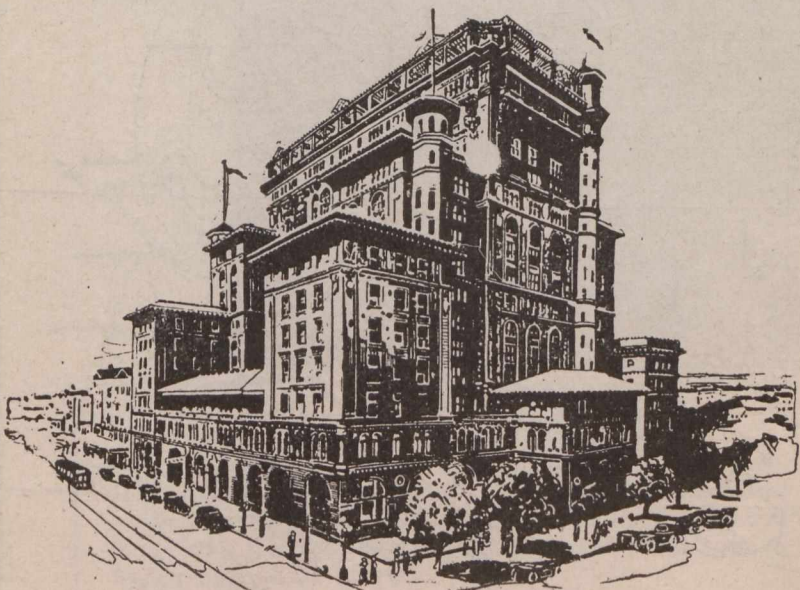
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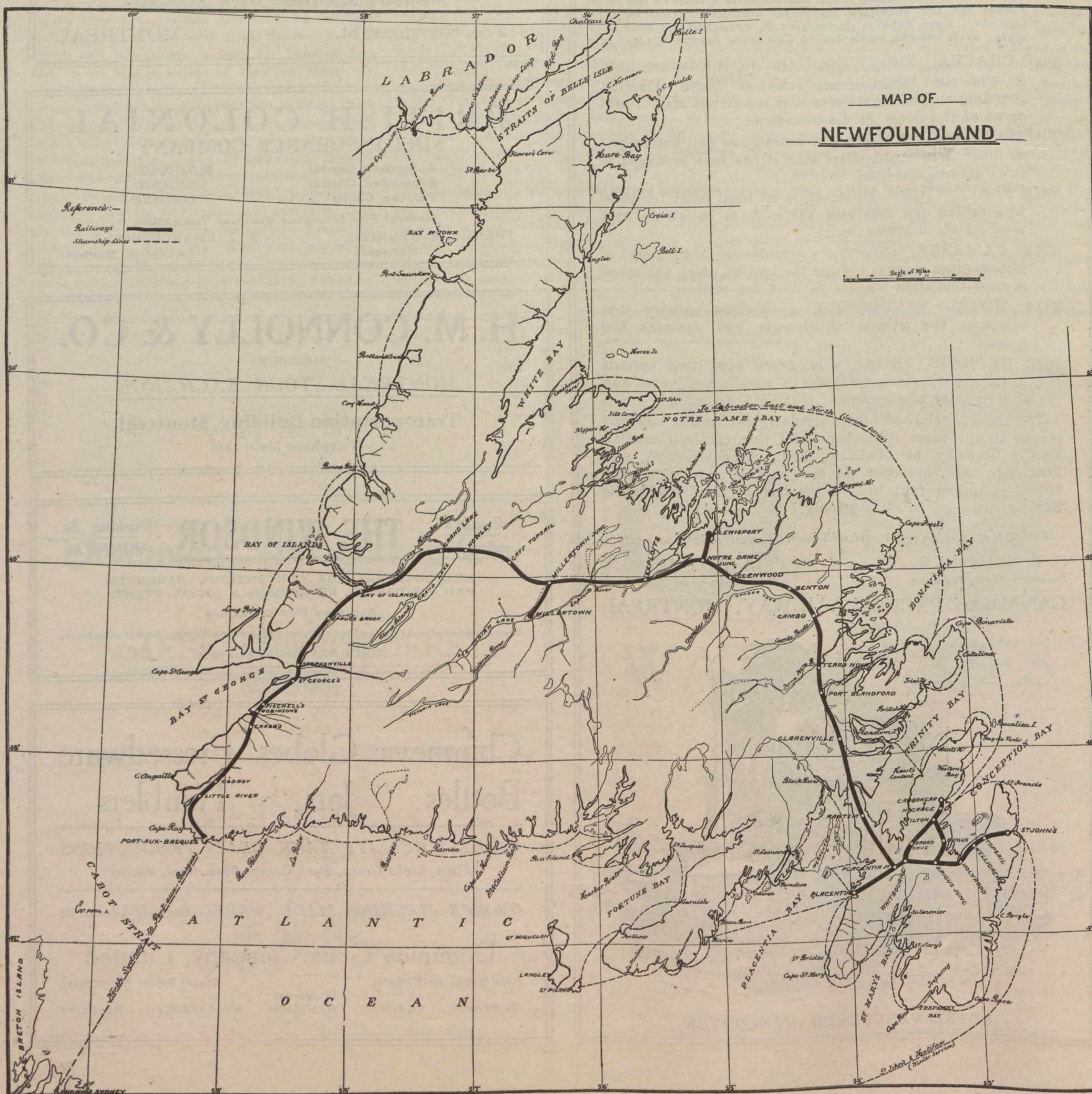
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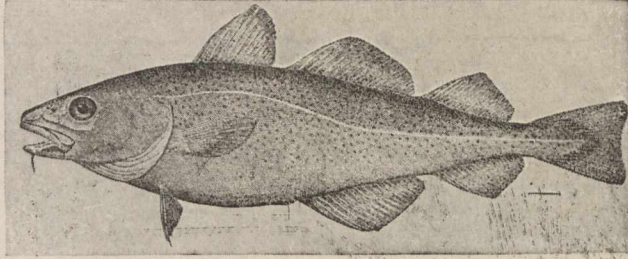
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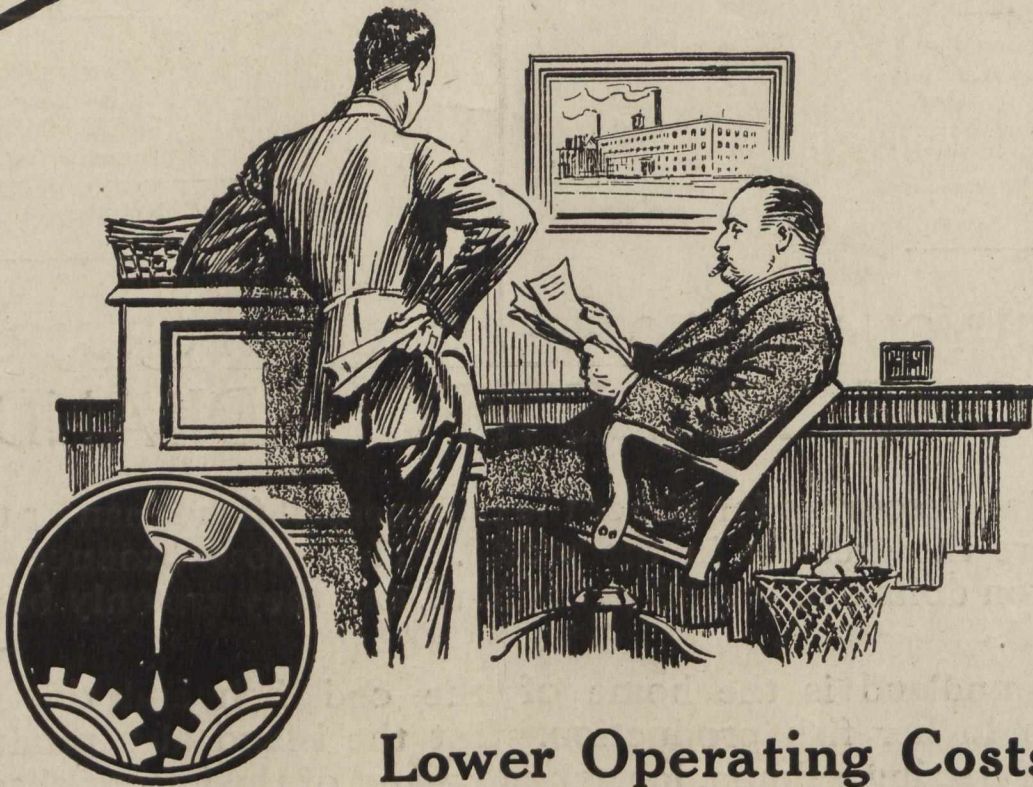
Newfoundland is the home of the cod fish and this forms the largest item in her fish production. But the island also produces large quantities of herring, salmon, lobster and many of the lesser fishes.

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



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

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