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## The Journal of Commerce

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MONTREAL, TUESDAY, OCT. 23, 1917.

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The War Savings Certificates and Red Tape.  
By H. M. P. Eckardt.

Brazil Resumes Cash Payments.  
By W. W. Swanson, Ph.D.

Banking and Business Affairs in the U. S.  
By Elmer H. Youngman.

Conditions in the West.  
By E. Cora Hind.

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## Education Pays

EDUCATION pays! A recent table compiled by the United States Bureau of Education shows that boys with a high school education not only derive a greater amount of enjoyment out of life by having their faculties trained, but from a purely monetary standpoint are away ahead of the boys who do not receive a high school education. According to the compilation it is shown that a boy who spends the two years, from his fourteenth to his sixteenth birthday, at a high school, is able at the age of eighteen to earn \$500 a year, as compared with \$350 earned by the boy who started to work at fourteen years of age and remained on the job until eighteen. At twenty years of age high school boys are making \$750 as compared with \$470 for the other class, and so on up to twenty-five years of age, when the average high school boy is earning \$1,550 as compared with \$688 received by the boy without any high school training.

In this age of hurry, and in our desire to get rich quick, many parents make the mistake of putting their children to work as soon as they leave the public school. Too often they put them into what are known as "blind alley jobs," positions where the immediate returns are probably greater than in situations which have a future, but in the last analysis do not furnish many opportunities for advancement. The age is past for hit-and-miss haphazard trained workmen. In an office an employer would much prefer to have a boy with a high school education than a helper who was denied that opportunity, while in factory 99 out of 100 employers of labor prefer a technically trained workman to a man who has never had the advantages of a technical or high school education.

The marked success made by many of the manufacturing establishments in Europe and the United States is due very largely to the presence of large numbers of technically trained workmen and if Canada is going to compete after the war with other nations it is imperative that she should have technically trained workmen to man her shops. This is true of every industry, whether it be textile manufacturing, paper making, steel manufacturing, or any other industry. The trained man not only makes more money for his employer, but makes more money for himself. Education pays!

## The Slow American

AS a rule the Americans are not considered slow in anything that they have in hand. Their reputation is well established in the other direction. About the last thing in which one would expect them to be slow is the manu-

facture of airplanes. The flying machine, if not entirely an American invention, is one to which our neighbors have given much attention, several of them having won the very front rank in the early operations of the new vehicle. Nevertheless, it is in respect of this invention that the Americans are now told that they are quite behind the age. Announcement having been made of the intention of the American authorities to supply a large fleet of air machines the proposed specifications have attracted the notice of Mr. C. C. Grey, editor of the British aviation journal, The Aeroplane. One requirement is that the machine at a height of 10,000 feet shall have a speed of not less than 102 miles per hour. To most readers that would seem to be quite smart going. But Mr. Grey remarks that "the notion of calling a 100-mile-an-hour machine a pursuit airplane would be distinctly humorous if it were not so tragic." A machine of that speed, he says, would have small chance of getting home when pursued by the German machines now at the front. A speed of 150 miles an hour is needed and the British editor says it can be produced.

## Another Scrap of Paper

THE action of the Dominion Government in disfranchising a large number of naturalized citizens against whose conduct there is no shadow of complaint has been followed by another step of an extraordinary character, the nature of which can be best understood by reference to a case to which it applies. By a recent Order-in-Council it is declared that a person, "if he is not a natural born British subject," is prohibited under heavy penalty, from entering any shipbuilding yard without the permission in writing of the Minister of Marine and Fisheries. Under the operation of this law a shipbuilder down in Nova Scotia is prohibited from entering his own shipyard without a permit from Ottawa. He is a Norwegian, who came to Canada twenty years ago, became naturalized in due course, and has ever since been discharging the duties of citizenship. He acquired land at Sheet Harbor, Halifax County, and established a factory for the conversion of the hardwoods of the country into forms for shipment to Europe. The British embargoes on the importation of wood goods shut him out of his chief market. Thereupon he turned his attention to shipbuilding. A few weeks ago a large four masted schooner of 700 tons was launched from his yard. He is getting out the materials for another vessel. And now he is told that, although he is a British subject and a citizen of Canada he cannot enter his own shipyard without a permit from Ottawa!

If there are any people in Canada, natives or imported, who fail to observe our laws let them be prosecuted and punished. But how is



it possible to justify the systematic insulting of British subjects who are in all respects good citizens, against whom there is no shadow of accusation?

### Canada's First Model Town

CANADA'S first model town is in process of construction in the Upper Ottawa Valley. The Riordon Pulp and Paper Company who are building a new mill at the foot of Lake Temiskaming, have engaged the services of Mr. Thomas Adams, the well known town planning expert, and are constructing a model town for their employees. Every possible provision for the comfort and welfare of the workmen is being utilized by Mr. Adams. Such necessities as parks and playgrounds, an adequate water supply, proper sanitation, scientifically constructed homes, each with its own plot of ground, schools, churches, theatres, recreation rooms, and everything else which will make the social and civic life of the community more enjoyable have been arranged by the company.

The Riordon Pulp and Paper Company deserve the hearty congratulations of the country as a whole. It is a sane humanitarian movement and the successful outcome of the experiment will be watched with sympathetic interest, not only by other employers of labor, but by all who are interested in the social well-being of the working man.

### Montreal the Railway Centre

MONTREAL is to-day the recognized transportation centre of the Dominion. It is at the head of ocean navigation and is also the real starting point for the series of waterways which stretch away into the interior of the country. This city is also the headquarters of our two largest transportation systems, the Canadian Pacific and the Grand Trunk Railways.

At the present time arrangements are being made by the Government to take over and operate the Canadian Northern and Grand Trunk Pacific as part of a Government system of railroads. Would it not be better to move the head office of the Canadian Northern from Toronto and make this city the headquarters of all our transportation systems? After the two lines are taken over as part of the Government system the I. C. R., G. T. R., and C. N. R. will be virtually one road.

When the Canadian Northern completes its terminals here it will have ample space to house a headquarters staff. In addition to that, the officials of that road would meet with and compete with officials of the other two great systems with their headquarters in this city. The stimulus and incentive which would come from that daily contact would do much to remove the charge of inertia and lack of initiative usually charged against Government systems not only in Canada but in all countries.

Certainly it would look the part of wisdom to move the headquarters of the Canadian Northern System here. It is to Montreal they bring their freight and passengers during the greater part of the year to take ships for overseas. This city is the great wholesale and distributing centre of the Dominion, and now that the Canadian Northern have built an expensive entry into the city and are constructing most elaborate terminals it would be well to make their headquarters.

It also seems unfortunate that when the Government was appointing its board of directors controlling the Canadian Northern that they did not pay more attention to the claims of the Quebec end of this system. All the men

appointed by the Government belong to Ontario and the West, but there are in Montreal men connected with the system who are thoroughly familiar with its organization and its field of operations. These men would have made ideal men for the board of directors and would have given Montreal the representation it needed. However, it is not too late to make amends in this matter and certainly not too late to bring the head office of the system to the strategic point selected by other roads as the most desirable for the administration of their transcontinental lines.

### The Rise in Silver

ALTHOUGH there has been some recession from the highest price of a few days ago silver is still commanding figures very much above those which have hitherto prevailed. We in Canada are doubly interested in the question. The increase of the price of silver may affect trade and prices in many lines. Then, Canada is a large producer of silver. The present demand and advanced price will naturally have the effect of speeding up operations in the working mines of the Cobalt region, and mining prospects not deemed of profitable promise when the price of bullion was low will be taken hold of more vigorously. Increased demand and reduced supply have operated to raise the price. The general movement in all countries to conserve the gold supply has led to a large increase of demand for silver for coinage purposes. Mexico, formerly one of the largest producers of silver, has for some time been in such a disordered state that mining operations have been reduced to small limits. Perhaps the most disturbing effects of the rise will be felt in the business of those who trade with Oriental countries. In the East silver is much used for currency and values of commodities are fixed on a silver basis. Labor and commodities are priced in silver. If the usual quantity of silver coin is paid for an article or as wages there is no change in the situation as respects the seller or the wage earner. But he who has to provide the silver for making the payment finds a material change. The English importer of Indian produce has to regard his business from the viewpoint of the gold standard. He has to pay more for the given quantity of silver which will pay in India for the given quantity of goods. The effect is that while prices in India may remain nominally unchanged the goods are enhanced in price to the English importer, who must therefore advance his selling price to prevent loss. Thus to the consumers elsewhere the prices of all Indian products must increase.

### Financial Freedom for China

Why trade with China fails to increase is discussed by a writer in the current issue of "Asia," who says that freedom for the Chinese Government in the control of its own finances would be of the greatest aid in the expansion of the nation's industry. The article states, in part:

"The present situation of China as a commercial nation may fairly be characterized in three propositions:

"1. Foreign trade and investment in China have failed to develop according to reasonable expectations.

"2. One chief cause of this is apparently the never-ending poverty and consequent feebleness of the Chinese Government, which affects disastrously the whole political, intellectual and economic life of the nation.

"3. The foreign powers have with inconceivable blindness made themselves in large part responsible for that poverty and so for the relative failure of their own efforts at trade expansion in China.

"China has been outstripped as an international

market by countries which she formerly surpassed, countries smaller and inferior in resources, with populations less numerous and less capable. To the hundreds of millions of Chinese the United States shipped in 1913 only \$21,000,000 worth of goods, as compared with \$25,000,000 to Serbia, Montenegro and Albania (having a population less than 2 per cent of China's and \$39,000,000 to the three Scandinavian countries (population less than 3 per cent of China's.)

"China's total imports are scarcely greater than Japan's, though her population is six or seven times greater. The increase in this small volume of imports is painfully slow—only about \$80,000,000 from 1905 to 1913, and of this nearly one-half was an increase in imports from Japan, a result largely of Government subsidies and railroad rebates at the expense of the Japanese public.

"China's slow commercial development must be ascribed in large part to the fact that its Government is in a state of continuous semi-starvation. The want of sufficient revenue and the Government's consequent inability to discharge the normal function of government affect fatally the whole political, industrial and commercial life of the nation. For this state of poverty the foreign powers are responsible; they have denied China, under treaties extorted by force, the free use of what should be to a country in her situation a chief (perhaps the chief) source of Government income, namely, customs duties. Not only is the Chinese Government deprived of revenue, but the Chinese producer is put at a fatal disadvantage if he attempts to compete with the foreigner. It is not surprising that thus far there has not been much attempt at such competition.

"Sir Robert Bredon has calculated that increasing import duties only to 12½ per cent would add to the revenue by about \$26,000,000 gold. To the hard pressed Chinese Government this amount might mean all the difference between solvency and insolvency. This is about 15 per cent of the total revenue of China in recent years. By the consent of the Powers there might be a similar increase of export duties. With these changes there should be a revision of rates so that they would vary with the revenue-producing power of various commodities. This would add greatly to the aggregate of receipts.

"Thus Great Britain collected on gasoline alone in the year before the war half as much as the total import duties of China. On tea she collected three times the total of the Chinese import revenue. In France three articles formerly produced over 42 per cent of the total customs revenue, nine articles almost 70 per cent. If the Chinese import duties were made to yield only one-third as much per capita as those of Japan this would amount to about \$60,000,000 or \$70,000,000.

"There is no limit to the possible effect of revising the customs system. Other revenue reforms, themselves yielding large additional income, require large preliminary expense, and an increase of customs revenue might make it possible to carry them through. It might make possible a reform of the land tax, which would require an expensive preliminary survey, but from which Sir Robert Hart anticipated a revenue of about 400,000,000 taels, or \$260,000,000 gold.

"The increase of revenue here suggested would probably set in motion some or all of a whole train of reforms, including not only those mentioned but also a better maintenance of public order without which trade cannot thrive; the abolition of burdensome internal taxes on the transport of goods; the development of railways, highways and waterways; expenditure for education, especially technical; Government aid in many ways to agriculture, manufactures and commerce; relief of China from the excessive and perilous dependence on foreign loans; possibly a reform of the currency to bring it into harmony with the coinage of other nations.

"Freedom for the Chinese Government in the control of its own finances would permit a development of Chinese industry, now hampered by the discriminations against the Chinese in their own country; it would permit the reforms without which China cannot develop in full measure in any direction; finally—perhaps most important of all—it would permit free play to the originality of the Chinese, their spirit of initiative and enterprise.

"There is an element of absurdity in the efforts of foreign Governments, associations and business houses to extend their trade in China under present conditions. It would be more creditable to the commercial intelligence of the foreign states if in this business they would merely cease to put clogs on their own feet, if they would refrain from keeping a nation which is perhaps the most attractive undeveloped market in the world in a state of political and economic semi-paralysis."



# Banking and Business Affairs in the U. S.

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

October 20th, 1917.

The Liberty Loan Campaign has served to bring home to many people in this country the very close relations which the banks sustain toward the public welfare. In their individual dealings with the banks the people have an understanding of the friendly and beneficial services of such institutions, and the banker is almost invariably trusted and respected. But for some reason the banks have always been the objects of more or less political suspicion. Politicians have not infrequently played upon this prejudice for their own profit.

But something has happened of late that ought to change this feeling. The banks of the country have announced their readiness to receive subscriptions for the Liberty Bonds, attending to all details without any charge for their services. They have also offered to make loans up to 90 per cent of the face value of bonds purchased, and to charge the same rate of interest that the bonds yield.

In other words, the banks undertake all the painstaking labor involved in these transactions with no profit whatever.

And yet, while the object of the banks is merely to show their patriotism, and while it is perfectly true that they will make no direct profits from these transactions, some careful students of banking as it has developed in this country are of opinion that in the long run the banks will gain immensely by the opportunity afforded of coming into contact with many thousands of people who have not heretofore been included in the class of bank depositors.

As a concrete illustration of this the experience of a small bank in one of the New York suburbs may be given. The executive of this bank said that the directors were alarmed over the prospect of losing deposits on account of the Liberty Loan; but in spite of this fear the executive set to work to get subscriptions for the loan, and in the course of a few weeks added over 200 new depositors' accounts.

## INCREASED NUMBER OF INVESTORS.

It has been frequently stated by financial writers that this country does not have a large body of trained investors, such as may be found in France and Great Britain. This statement is no doubt true, but probably will not be in the near future, for immense amount of publicity given to the Liberty Loan is stimulating interest in investments and multiplying the number of investors.

Estimates have placed the number of subscribers to the first loan at a total of 4,000,000, and an expectation of 10,000,000 for the second loan does not appear unreasonable.

Doubtless many of those who subscribe for the loans become investors for the first time. From buying Government bonds to buying other high-grade securities is not a long step, and it may be expected that the Liberty Loan Campaigns will have an important effect in creating a large permanent class of investors in this country.

Such a development would be regarded by bankers here as particularly fortunate. Mr. Morgan's famous epigram "undigested securities" put in a striking fashion the truth that the banks of the United States sometimes become heavily loaded with investment securities. Could the banks pass more of these securities on to their depositors and others, the danger of indigestion would be reduced by the fact that the number of consumers would be increased and the likelihood of over-feeding correspondingly reduced.

For the domestic and foreign financial obligations which the United States must shoulder for some time forward, we shall need an investing public with all most unlimited powers of absorption, and it is well that the training of such a body of investors is now going on and that the educational process is to an extent compulsory — a fact which may be relied on to speed up the process.

That the broadening of the investment market resulting from the change referred to may have an important effect on the financial and economic status of the United States is reasonably certain, and it may also result in more tolerant views in regard to capital and wealth on the part of the average member of the community. That the latter effect would tend to modify to an important degree the legislative policy toward corporate enterprise is a probability at least.

## CONDITION OF THE NATIONAL BANKS.

That the National banks would be well able to stand a large withdrawal of deposits if necessary to buy Liberty Bonds is evidenced by a statement made public during the week by the Comptroller of the Currency, who calls attention to the fact that if five billion dollars (\$5,000,000,000) of deposits should be withdrawn from the National banks of the country, their deposits would still be 286 million dollars greater than they were at this time in 1913, — the year before the outbreak of the European War.

It is significant that while the National banks of the country have assisted so largely in the financing of the first Liberty Loan of two billion dollars, involving to a certain extent the withdrawal of deposits from these banks, yet the deposits of the National banks now, as compared with May 1st, 1917, before the first Liberty Loan was announced, show an actual increase of 154 million dollars.

The total resources of the National banks of the country have again exceeded all past records, and have now reached the great aggregate of 16,543 million dollars. This is an increase as compared with the call of June 20, 1917, of 392 million dollars, and an increase as compared with September 12, 1916, of 2,132 million dollars.

The resources of the National banks of the country on September 11 exceeded by approximately a billion and a half dollars (\$1,500,000,000), the total resources of all the banks of the country, National, State, Savings Banks and Trust Companies as late as the year 1914.

Deposits also exceed the deposits of June 20, 1917, by 462 million dollars, and are 1,872 million dollars greater than on September 12, 1916.

The deposits in the National Banks four years ago, August 9, 1913, amounted to 7,948 million dollars. The increase during these four years has been five billion two hundred and eighty-six million dollars (\$5,286,000,000), or 66 per cent. a growth which is unprecedented.

## REDISCOUNTING NOT YET POPULAR.

From the most recent compilations of returns of the National banks it appears that rediscounting is not yet popular with those institutions, notwithstanding the fact that some leading bankers have been urging them to take greater advantage of the rediscount privilege which is afforded by the new Federal Reserve System.

Although on September 11th, the date of the last report, the National Banks of the United States had loans and discounts aggregating \$9,055,000,000, their bills payable and rediscounts amounted to but \$285,000,000, which was a reduction as compared with June 20, 1917, of \$88,000,000, but an increase as compared with Sept. 12, 1916, of \$193,000,000.

A tradition among American bankers that "overdrafts" and "bills payable and rediscounts" do not look well in their balance-sheets is largely responsible for the slow growth of this item. Evidently, if one of the supposed chief benefits of the Federal Reserve System is to materialize, this tradition must be lived down. Possibly these items, called by some other name, might lose the present psychological objection which attaches to them.

It seems probable that many banks will rediscount quite liberally in order to aid their depositors in making subscriptions to Government loans, and it would not be surprising if future reports show a material increase in this item. The objection to rediscounts is among the banks themselves and not on the part of the Comptroller of the Currency, although this official does not look leniently upon "overdrafts."

## THE BUSINESS SITUATION.

It would be wide of the truth to say that the present business situation is wholly satisfactory for it is not. On the other hand, there is nothing in existing conditions to justify immediate apprehension. Extreme depression in the stock market has occurred during the past week, and unconfirmed rumors of closing the Stock Exchange have been circulated and denied. The fall in the price of securities has naturally caused some concern among the banks that hold these securities as loans, and it must be remembered that this is a feature of our financial system which in the past has caused troubles. But it must also be remembered that, to an extent which never existed before, our banking system now rests upon commercial paper rather than upon securities, and the fall of the latter, though still a serious matter, has far less possibility of mischief than in the past.

As a further reassurance the Comptroller of the Currency has advised the bank examiners that in valuing the assets of the banks they need not be guided by present abnormally low prices of the banks' investments.

Furthermore, with the tremendous unused power still in the hands of the Federal Reserve Banks, and with the Government and banks co-operating in a manner heretofore unknown, there seems no reason to expect that the situation will get beyond control.

In the closing days of the week there was some recovery in the stock market, the advance continuing in Saturday morning's trading. There is some feeling that the buying for investment account has checked the decline for the present.

Business continues active, the bank clearings throughout the United States for the week of October 20 being \$7,282,988,155, compared with \$5,377,877,807 the preceding week, and \$6,355,672,449 the corresponding week of last year.

The surplus of the New York banks this week is \$25,983,320 below that of last week.

New York has been for several days experiencing an actual shortage of sugar — not a matter of serious importance, but of interest on account of being about the first real shortage of food of any kind experienced since the war began.

Fluctuations in the military situation have not reacted unfavorably upon business, the depression in the stock market having been due wholly to local causes. Doubts as to the final decision in the war never enter into the calculations of American bankers and business men no more than they do in those of our Allies.

## NEW AUSTRALIAN PLAN FOR WHEAT STORAGE.

Bulk of the Expense is to be Borne by Farmer.

The financial aspect of the wheat storage scheme which has been determined upon by the Commonwealth and wheat-producing States of Australia is of more than usual interest owing to the fact that so many parties are involved.

In the main, says "The Age," Melbourne, the expense is to be borne by the farmer, not in direct payment perhaps, but in reduced dividends from the pool. The Imperial authorities will, however, be called upon to bear at least a portion of the cost of storage. Most of the wheat now in the Commonwealth has been sold to the British Government, but it is held at Australia's risk until December 31 next. On the expiration of that period the wheat will be held at the risk of the British Government, subject, as the Prime Minister has said, to the exercise on the part of the Commonwealth, as bailees, of that ordinary care which bailees are supposed to exercise over the property of others.

As the storage has become necessary owing to the inability of the Imperial authorities to provide freight for its transport to Great Britain, they are to be required to foot the bill. They will not, of course, be concerned in the expense involved in erecting the silos. Although the Prime Minister asked members of the House of Representatives to deal with the storage scheme quite apart from any other consideration, it is generally recognized that it is intended as the initiation of the bulk handling system in Australia. Consequently the silos would have to be built sooner or later, so that in the actual work of construction for storage purposes practically no additional expense is being incurred.

## COST OF STORAGE SCHEME.

It is estimated that the amount of money necessary for the storage scheme will be £2,858,333, and the bill which has already been passed by the House of Representatives provides for the appropriation of a sum not exceeding £2,850,000. The measure, is regarded as a war measure, and the money which will be advanced by the Commonwealth to the States will come out of one or other of the war loans. The State governments will pay interest on the money borrowed at the same rate at which the Commonwealth obtains it.

The guarantee of repayment is on the same plan as ordinary transactions between the States and the Commonwealth. The States incur a liability, and they are to meet it as agreed upon between the parties.

It is proposed to debit the wheat with a charge sufficient to create a sinking fund that will extinguish the liability in ten years, and it has been calculated that a charge of 1/4d per bushel per month on the wheat stored will do this. As this will be only one-third of the crop, and as the charge will be de-

(Continued on page 24.)



# The War Savings Certificates and Red Tape

The finance department can produce some good arguments in support of the procedure now in evidence

By H. M. P. ECKARDT.

The war savings certificates issued by the Dominion Government have been on sale for some time in denominations of \$25, \$50, and \$100; and recently a new issue of \$10 certificates was announced at Ottawa. They are designed to appeal to small savers throughout the country, and on the whole the class appealed to has responded fairly well — the amount of certificates outstanding, some time ago passed the \$10,000,000 mark. As the rate of interest on the three-year investment in a certificate is approximately 5 per cent, this feature or attraction helps materially to promote the sale. On the other hand a recent item published by Toronto Saturday Night explains how the procedure in connection with the issue and circulation of the certificates tends in some cases to discourage intending purchasers from taking them. The chief complaint made by the Toronto paper is that the purchaser cannot get his certificate at once when he pays the money. Quoting from the article — "The red tape surrounding the purchase of War Savings Certificates — most of it being absolutely unnecessary — is destroying to a large extent an unrivalled opportunity to obtain the money of the small saver for the use of the Government. In place of making these certificates of varying denominations easy to obtain, there is, owing to the methods pursued, much unnecessary red tape and aggravating delay. One must first apply in writing to a chartered bank. In other words, give your name and address, and all that sort of thing. Next you pass over your money for which you receive a receipt from the bank. Next your application is forwarded by the bank to Ottawa, and in due time, provided the application is without error, the banker receives back the certificate, and about a month later you drop in and get it."

## "NO FUSS OR FEATHERS."

The writer of the article then repeats certain suggestions and remarks made to him by a banker in connection with actual experiences in selling the certificates. The banker expressed the opinion that the certificates should be as readily obtainable as bank bills and as negotiable — stating that there was no reason why they should not be sold in the same way as the war loan coupon bonds payable to bearer, with no "fuss or feathers" as to the registration of the buyer's name at Ottawa or elsewhere. He instanced the case of the man of the family who drops into the bank for a new bill or a gold piece to serve as birthday gift for wife or child, and stated that nine times out of ten this individual would accept the suggestion of a war savings certificate if it was immediately obtainable. Another instance quoted by the banker was that in which a large employer of labor came into the bank just before the pay-day at his works, and asked for 100 war savings certificates of small denomination — his intention being to offer them to his hands as they drew their pay — but with the procedure at present in vogue the certificates of course could not be supplied.

## CHANGING VALUE.

The foregoing illustrations indicate clearly enough that the sale of the savings certificates would be greatly increased if the so-called red tape causing the delay could be cut out. However in all fairness it is advisable to make allowance for the considerations which probably played a part in inducing the Finance Department to take the course complained of first, with reference to the registration and non-negotiability of the certificates it is evident that one object of this is to make it safer to keep them in the average home where safes and vaults are not available. The document does not mature for three years and it must be put away in a drawer, cupboard or box where it would be subject to risk of theft if payable to bearer and readily negotiable. Then, another feature operating to interfere with ready negotiability is seen in the changing value of the certificate. Suppose one buys a \$25 certificate on 1st October, 1917. The instrument is worth the full \$25 on 1st October, 1920. Strictly speaking, one day's interest is added to its value every day that passes; and an instrument daily changing value in this way is not exactly suited for circulating from hand to

hand. Apart from the matter of making the certificates safer for purchasers to hold, there does not seem to be any insurmountable obstacle in the way of having them payable to bearer, or transferable by endorsement, and of abolishing the registration feature. Perhaps the Government would be subject to additional risk of forgery if that were done; and it would be necessary to use more elaborate or more expensive forms.

Even if the registration were abolished and the documents were made payable to bearer, there would be certain tactical difficulties to be provided for before the banks could be placed in position for handing them out instantaneously whenever a customer tendered the price. It would not be practicable for a bank to buy a block of a half million or a million dollars in certificates, because it would lose the interest on its money from the time it purchased the block until the certificates were all sold. The certificates would have to be dated when the bank bought them; and as they are sold at uniform advertised prices it would be inconvenient to add the accrued interest to entrust the forms to the banks as agents, the question of dating them comes up. Could this be settled through delivering the forms to the bank, complete except as to dating, and giving the bank officials at any branch the authority to fill in the date on making a sale? Although this suggestion will doubtless strike Government officials as irregular and heretical, there is nothing impracticable about it. The proprieties could be observed through having a formula on each certificate to the effect that "This certificate was dated and issued by the..... Branch of..... Bank," said formula to be filled in and signed by the branch manager or accountant. Of course the banks would be strictly accountable to the Finance Department for dating, issuing, reporting, etc; and the Department would

run no risk. The banks would have to account for all forms entrusted to them, and they would, inevitably devise such methods as were necessary to protect themselves from irregularities on the part of their staffs.

## ACTIVE SALE.

It is to be remembered that there has been an active sale of the war savings certificates through the post office; and it would seem that if arrangements are made whereby the banks are able to make instant delivery to purchasers buying through them, the same arrangement should apply to purchases made at the post offices. It would have a queer appearance if the savers could get the certificates from a bank at once on paying in their money, while they could not do so at the post office. And yet it is easy to see that there are grave objections to the policy of putting the postmasters in position to hand out the certificates at once on receiving the money. The documents being payable to bearer, and obligations of the Dominion Government, would have almost the status of cash; and the majority of post offices are not equipped to ensure proper safe-keeping or handling. Many post offices are situated in drug stores or general stores, and the operations are conducted in a rough and ready way which would not be apt to ensure safe handling of considerable amounts of bearer securities.

Then, if the certificates were drawn so as to be transferable by endorsement, as in the case of a bill of exchange, that would necessitate the filling in of another blank at the bank or post office where the sale was made. The agent or vendor would require to fill in the date and the payee's name. This would make the document a hybrid affair. Also the matter of identification would come up whenever transfers were made. In view of the fact that the certificates are intended to be a straight three-year investment, with value increasing from day to day through accrual of interest, it seems unnecessary to emphasize facility of transfer in their case. The probability is that most of the holders will carry the investment to maturity.

These considerations show that the Finance Department can produce some good arguments in support of the procedure now in evidence. At the same time there is no doubt that if a method of promptly delivering the bonds on payment of the money, could be devised, which would also give the necessary protection against frauds, etc., the sale of the certificates would be greatly increased.

# The War Trade Control

(New York Journal of Commerce.)

The President's somewhat voluminous order putting in effect the power of control over trade so liberally vested in him by Congress, simply provides the active agencies for carrying out the work. Very much will depend upon the judgment, skill and fidelity with which it will be done. It will come continually in contact with private interests and may greatly affect public opinion in its attitude toward the Administration, which will be dependent upon it for needed support.

There is a War Trade Board constituted which displaces the Exports Administrative Board by taking over its functions in addition to others. The new Board is to consist of "representatives" of the Secretaries of State, Treasury, Agriculture and Commerce and of the Food Administrator and Shipping Board. Through these, under rules and regulations devised by itself in accordance with provisions of the law, this Board will exercise unprecedented powers over both import and export trade, intimately affecting our relations with other nations as well as our own internal business interests. There is also to be a War Trade Council to act in an advisory capacity upon matters to be referred to it either by the President or the War Trade Board. This is to consist of those heads of departments and other officials whose "representatives" are to constitute the Board itself. Large powers are vested in the Secretary of the Treasury in connection with the practical operation of the rules and regulation with a view to giving them authoritative effect.

A Censorship Board is also established to consist of "representatives" of the War Trade Board and the Secretaries of War and the Navy, the Postmaster General and the Committee on Public Information. The function of this Board, so far as defined, will be to execute rules, regulations and proclamations that may be issued under the espionage provision of the Trading with the Enemy Act, for the censorship of communications by one means or another between this and foreign countries, including those commu-

nications "carried by any vessel or other means of transportation touching at any port, place or territory of the United States and bound to or from any foreign country." This Board is authorized to "take all such measures as may be necessary or expedient to administer the powers hereby conferred."

Large powers are also vested in the Federal Trade Commission for the granting of licenses in various lines of trade and looking after the observance of their privileges and requirements. The Postmaster General is vested with powers and duties regarding the printing, publishing or circulation in a foreign language of matters relating to the conduct of the war. This grants pretty broad powers, not very clearly defined, which will require a good deal of discretion and tact in their application, or more harm than good may be done. Other functions more or less distinctly stated for the Secretaries of State and of Commerce in relation to trading with the enemy, and the powers of a custodian of alien property in this country, yet to be appointed, are set forth. This is the beginning of a large experiment in the application of Government powers, which is altogether without precedent. Very much must depend upon the manner and spirit of their exercise. A vast responsibility is assumed which only the war could justify.

## POPULAR ROUTE TO NEW YORK.

The recently inaugurated Grand Trunk-Rutland Route from Montreal to New York has already won its way into popularity. The day trip via this route is an ever changing panorama of lake and mountain scenery interspersed with interesting centres of industry and commerce. The city of Rutland in the heart of the Green Mountains, passed en route, is the centre of one of the largest marble industries in America. Information and reservations on application to M. O. Dafee, 122 St. James St., Montreal.



## Brazil Resumes Cash Payments

Brazil is destined to play a great role in the future political and economic life of South America

By W. W. SWANSON, Ph.D.

Occupied as we have been in domestic affairs, few Canadians have taken time to study economic conditions elsewhere, least of all, in South America. And yet Canada has a large stake in the South American continent, notably in Brazil. It is news to the majority of Canadians that this great Republic was obliged to suspend cash payments on its national debt, held by foreigners, at the outbreak of hostilities, and has only recently resumed payments thereon. Although Canada has neglected the South American field—with the exception of our chartered banks—the United States has given serious attention to trade possibilities there. Beyond doubt the republics below the equator will furnish a tempting field, in the near future, for trade expansion; and therefore in view of this fact, and because of our heavy investments in Brazil, it may prove profitable to pass in brief review the chief facts bearing on the economic situation in this Portuguese Republic.

### SALIENT FACTORS.

First of all, consider the salient geographical and ethnical factors in Brazil's commercial life. The Republic has a population of some 22,000,000—being about two-fifths of the total population of South America. Its foreign trade is exceeded by that of the Argentine Republic, although the latter country has a population only equal to that of Canada. The area of Brazil is equal to that of the United States; but the greater part lies within the tropical, and the sub-tropical, zones. In truth the larger part of the country is untillable, especially the dense forest and swamp lands in the basin of the Amazon. A range of mountains running in a south-easterly direction along the coast cuts off the moisture-laden winds from the Atlantic, with the result that the tablelands in the south are arid and sterile, and altogether unfit for agricultural purposes. The richest regions of Brazil are in the extreme south-east, where coffee-growing is the main industry. It is in this section that four-fifths of the world's coffee crop is grown. It may be here observed that Europe takes about 60 per cent of the coffee crop of Brazil, the remainder going to the United States, and of this two-thirds entering the port of New York. As is well known Sao Paulo is the chief coffee-growing province, and the city of the same name the centre of the coffee trade. Santos is the port through which Brazilian coffee is shipped to Europe and America. In addition to coffee, Brazil produces rubber in the Amazon basin, sugar, cotton, tobacco, cocoa and brazilwood. The Brazilian government has done its utmost to stimulate manufacturing, but at present the majority of the industries of the country are operated only in a primitive way. In an effort to increase its export trade, Brazil grants bounties on wheat, and remits duties upon agricultural machinery, fertilizers and other materials used for farming purposes. The country has experienced a considerable railroad development, but nevertheless main reliance is placed upon its wonderful water-ways for traffic purposes. Manaus is an ocean port although situated 1,000 miles up the Amazon from Rio de Janeiro. The country possesses 10,000 miles of inland waterways, navigable by ocean-going steamers, and 20,000 upon which light-draught vessels ply their traffic. As everyone knows the Germans have established a considerable colony in southern Brazil, but in recent years Italians have formed the majority of immigrants seeking new homes in the Republic.

Brazil is a nation of paramount importance in South America, and is destined to play a great role in the future political and economic life of that continent. The language spoken is the Portuguese, but the United Kingdom monopolizes the bulk of its trade; although before the war a very large trade was carried on with Germany and Italy. Strange to say, Liverpool is nearer Rio than New York, it takes only fourteen days to reach England's chief seaport as against twenty-one days to New York. Owing to the fact that the United Kingdom and Germany practically dominated the shipping situation before the war, the United States had a relatively small trade with Brazil, in particular, and Southern America in general. Americans hoped and expected that the building of the Panama Canal would greatly increase their South American trade, but Europe more than held its own up to the outbreak of hostilities in 1914. The United Kingdom has occupied an especially strong position in South America owing to its heavy capital investments there, its holdings in the Argentine

alone being greater than its Canadian interests, great as these are, and have been. The French also have invested considerable sums in South America, and have a special interest in Brazil. Although German financiers were chiefly interested in Brazilian finance in the early part of the present century, it was to London and Paris that Brazil went for financial aid just before the outbreak of war.

### TROUGH OF DEPRESSION.

In the summer of 1914 the Brazilian Government applied for a \$100,000,000 loan in London and Paris; but the terms imposed were so onerous that the negotiations fell through. Brazil had, in fact, been passing through the same hectic experience as Canada and the Argentine, and was in the trough of depression at that period. To make matters worse the outbreak of the European struggle in August temporarily paralyzed the country's foreign trade, shipping being unavailable to carry its coffee and other products to Europe. A staggering blow was dealt by the war to international commerce, and when even New York, London, Paris and Berlin reeled under the shock, it is not surprising to find that the commercial centres of Brazil were not able to withstand the impact. In a word, paralysis overtook the economic life of the country, and the Government was obliged to suspend the payment of interest upon the national debt. The Messrs. Rothschild were called into consultation, and the London and Paris branches of their House formulated a plan whereby Brazil was permitted to discharge its foreign obligations in bonds, in lieu of cash payments, until July 31, 1917. The plan has worked with admirable success, and the Brazilian Government has begun once more to meet its obligations with cash payments.

As explained, the Brazilian Government paid its foreign debts—with a few minor exceptions—in funding bonds which bore interest at 5 per cent and which were made a second charge on customs revenues. The paying of cash into various sinking funds was suspended until the end of July, 1917. It is interesting to note that, although the plan has worked smoothly and well, it has resulted in adding \$75,000,000 to the national debt of the country. And yet, although the scheme has worked well, there was very grave doubt in the minds of English and French financiers that the country could pull through and meet its obligations once more in cash by July 31, 1917. At least \$30,000,000 was required annually for interest upon the foreign debt alone—a large sum when it is recalled that Brazil is not economically developed, but is still almost in a primitive state as far as its commercial activities are concerned. Moreover, the situation was further complicated by the fall in the value of Brazilian milreis—a fall that amounted to 33 1-3 per cent at one period. When it is kept in mind that the milreis is ordinarily worth about 32 cents, it will be seen that its depreciation to 20 cents would make a material difference in the burden laid upon the Government in meeting its foreign obligations. As a matter of fact, instead of costing some 90,000,000 milreis to meet interest, Brazil was compelled to pay, in terms of its depreciated money, 120,000,000 milreis to discharge its annual interest payments.

### VALUE OF MILREIS.

The paper money of Brazil has had an untoward history, similar to that of the American "greenbacks," issued during the course of the Civil War. There were heavy over-issues of paper money in the Brazilian Republic, it being a tempting way in which to meet the current needs of the Government. In the Funding scheme of 1898—when Brazil found itself in deep financial waters—its European creditors compelled the country to retire a certain percentage of its paper-money issues each year—a percentage equal to the cash not used in meeting interest upon the public debt. By this expedient the milreis advanced in value from 12 cents to 32 cents. It would have been well had the same plan been adopted in 1914—that is, the retiring of as much paper money as the national debt was increased by issuing bonds, on interest account, in lieu of cash payments. At any rate, there is a warning here for those amateur financiers in our own country who would not hesitate to derange the Dominion's monetary mechanism for the advantage of a ready, but extraordinarily costly, method of securing funds for the national treasury.

Let us consider for a moment the course of Brazil's trade since the outbreak of hostilities. The trade and

commerce of the Republic was expanding in a surprisingly rapid way before the war, the high water mark being reached in 1912. In that year the total foreign trade of the country, exports and imports included, amounted to \$700,000,000, the exports being greater than the imports by \$55,000,000—a comfortable balance of trade on the right side. In 1913, however, there was an unfavorable balance of trade, the exports having declined by \$50,000,000. The following year, 1914, disclosed a total foreign trade of only \$410,000,000, due in part to the outbreak of war, but much more to the prevalent financial stringency in that country. Brazil had, in truth, been forging ahead at too rapid a pace, and production had lagged far behind construction and consumption. In other words, Brazil was increasing its trade and commerce by the simple, but old expedient of living on its debts.

In 1915 there was a balance of \$115,000,000 in favor of Brazil, with respect to the foreign trade of the country. This was due, in large measure, to the decline in imports, although the export trade had largely recovered. Now, it is essential to note just here that Brazil secures a very large part of its revenues from import duties; hence the fiscal affairs of the nation gave cause for serious consideration to the President and his Minister of Finance. Brazil at no period in its history has enjoyed large revenue, its population of 22,000,000 being considered. In 1909 the total national revenue was \$141,515,000; and in 1913, \$212,250,000. True, this revenue was much larger than that of the Argentine and of Canada, but then both these latter nations have much smaller populations. Nevertheless, the revenue of Brazil was expanding in the years immediately prior to the war; but revenues were more than counterbalanced by increased expenditures, resulting in annual deficits of about \$20,000,000.

In the first year of the war, 1914, the revenues of the country declined by \$75,000,000; and in 1915 there was a deficit of \$35,000,000. In 1915 \$25,000,000 was issued in bonds, so that the actual deficit was \$60,000,000. To English and French financiers the financial future of Brazil appeared far from rosy. In 1916 the revenue amounted to \$154,000,000 and expenditures to practically a like sum. The saving factor in the situation was found in increased imports, which have reduced the estimated deficit in 1917 to about \$5,000,000. The Government has effected considerable economies, especially in the civil service; but there is still room for improvement. By way of contrast, it must be admitted that Canada has made a splendid showing; for while our national debt has grown to really serious proportions the nation has met all its obligations promptly, and its credit stands high in the money markets of the United Kingdom and the United States.

### GRAND TRUNK PACIFIC RY.

A. W. Smithers, president of the Grand Trunk Pacific Ry., who has just returned from a western tour, presided at the adjourned annual meeting a few days ago, when the following officers and directors were elected:

Directors: Alfred W. Smithers, Sir H. M. Jackson, John A. Clutton-Brock, Sir Wm. Lawrence Young, Howard G. Kelley, E. J. Chamberlin, W. H. Ardley, Frank Scott, W. H. Biggar, Hon. R. Dandurand, Wm. Molson Macpherson, J. E. Dalrymple, Peter McAra and J. E. Fraser.

Officers: Howard G. Kelley, president; W. P. Hinton, vice-president and general manager; W. H. Biggar, vice-president and general counsel; J. E. Dalrymple, vice-president; Frank Scott, vice-president and treasurer; Henry Phillips, secretary; W. H. Ardley comptroller.

In reviewing the results for the past year, the president remarked it was gratifying to note an improvement, although much remains to be accomplished before the property can be on a self-sustaining basis. This condition, however, could only be the natural result of constructing lines of transportation through hitherto unsettled and undeveloped country, and is the history of all other transportation lines. It is, therefore, encouraging to note marked improvement in these conditions from year to year, as the advent of the railway has made possible the discovery and opening of almost unlimited natural resources.

Notwithstanding the stopping of foreign immigration during the war, a very considerable immigration from the United States, well equipped financially for farming and other pursuits, continues to go into the new country, and in addition to the increased acreage taken up a number of lumber mills along the Fraser River, in British Columbia, to supply the increasing demand for lumber on the prairies, all of which makes traffic for the railway.



## Mentioned in Despatches

**VICE-ADMIRAL SIR CHARLES E. MADDEN** has been awarded the Order of the Rising Sun by the Emperor of Japan for meritorious work. Admiral Madden is a typical old English sea-dog, having been afloat since he was a boy and working his way up through various grades until, at the outbreak of the war, he was a rear-admiral in command of squadrons in the home fleet. When war commenced he was appointed Chief-of-Staff to Admiral Sir John Jellicoe, who happens to be his brother-in-law. At the Battle of Jutland Madden made a big name for himself as a result of the good work he performed.

**SIR JOHN SIMON**, formerly Attorney-General in the British Cabinet, has gone to the front as an officer, giving up a legal practice worth \$100,000 a year in order to make the world safe for democracy. Simon was in the Coalition Cabinet, but resigned when the Government adopted conscription. He is a brilliant lawyer and in pre-war days made a big name for himself in connection with the Alaska Boundary dispute, and for his work in connection with the British Telephone Arbitration, when he made a record for long distance speech, talking for ten days. He was born in 1873, the son of a Congregation minister, was educated at Oxford and called to the Bar in 1899. He was knighted some half dozen years ago.

**GEN. PORRO**.—While Gen. Cadorne, head of the Italian Army, has received the bulk of the praise for the splendid work they have done against the Austrians, Gen. Porro, his right-hand man and the second in command of the Italian forces, is in reality the man behind the gun. Porro, like his chief, has made a special study of the mountainous country on the Austrian-Italian frontier, and has written several monographs about it. As a matter of fact, Porro is the author of a number of military books, was Under-Secretary of War for some years, and when war broke out in 1914 was offered the post of Minister of War, but refused.

**CHARLES H. SABIN**.—It is not often that a man owes his success in life to his ability to play baseball. Charles H. Sabin, head of the Guaranty Trust Company of New York, which is the largest company of its kind in the world, owes his prominence in the financial world to his love of baseball. As a young lad he played on the corner lots in his New England home town, finally going to college, where he paid for his tuition and board by playing baseball in the summer months. Later he drifted to Albany, where he worked for a miller. Amateur baseball was all the rage in Albany at that time, and when it came to the final game of the series a local bank borrowed Sabin from the miller and installed him as a clerk so that he could pitch for them the next day. His one day experience in banking gave him a state for the profession and after he won the baseball game he stayed with the banker instead of going back to the mill. From that time onward his success was most pronounced until to-day, at the age of forty-nine, he is one of the foremost financial men in the United States. As a matter of fact, a recent list compiled by a financial journal places Charles Sabin as one of the first five financiers in the United States.

**THE HON. W. L. MACKENZIE KING**, Minister of Labor in the Laurier Cabinet, is now assistant to Secretary Baker, of the United States War Department. His special work is to settle labor troubles as they arise in munition plants or other work more or less under the control of the Government. This appointment is a further recognition of the masterly grasp which McKenzie King possesses on all social and labor questions. This work is perhaps a direct outcome of the years he spent with the Rockefeller Institute, where he investigated and removed the differences which existed between the Rockefellers and the Colorado mining men. In Canada he was editor of the Labor Gazette, Deputy Minister of Labor, and then Minister of Labor, making a marked success of his work in every case. McKenzie King was born at Kitchener, educated at the University of Toronto and at Harvard, and then entered the Civil Service, but soon made such a name and place for himself that he became recognized as an authority on labor problems. It is safe to say that he is probably the greatest authority in America on matters pertaining to modern social problems.

**E. E. DUCKWORTH**, who has just been appointed superintendent of insurance for the Province of Quebec for the Sun Life, is an Englishman who, early in life, saw the possibilities of advancement in Canada. He was born in the Old Country, educated at Liverpool University, and then came to Canada where he taught for some years, later entering the actuarial department of the Sun Life. When not talking insurance he can be found in summer on the bowling green, and in winter at a curling rink.

**JULIUS KAHN**, a Republican Congressman, announces that when Congress next opens he will introduce a measure advocating a universal military training law in the United States. Kahn was born in Germany, but came to the United States with his parents when a mere boy, when to school in San Francisco, and then became an actor. After spending several years before the footlights he grew tired of acting, quit the stage, and studied law. Five years later he entered Congress, where he has been recognized as one of the most progressive law makers possessed by that body. Although a Republican Kahn gave whole-hearted support to President Wilson in his war measures of the past few months. The introduction of his compulsory military law is probably an inherited tendency from his German ancestry.

**LT.-COL. JOHN McCRAE, M.D.**.—Sometimes second thoughts are best. A year or more ago when the London Times published a poem entitled, "In Flanders' Fields," by Lt.-Col. John McCrae, M.D., of Montreal, the literary world did not at once recognize its merit. To-day it is regarded by many critics as the finest war poem published. Col. McCrae was born at Guelph, where his father, Lt.-Col. David McCrae, is a prominent business man. Young McCrae was educated at the University of Toronto in Arts and Medicine, and served for a time on the staff of his Alma Mater. He fought through the South African War as an artillery officer, and when hostilities opened in 1914 immediately offered his services. For the past few years he has been practising medicine in Montreal, and is also a lecturer at McGill University.

**MISS LILIAN BELL**, of Chicago. — The United States is mobilizing every possible force in its effort to beat the Huns. Under the leadership of Herbert Hoover, the Food Controller, there has been organized the Children's Patriotic League of America for the purpose of aiding in the conservation of the nation's food resources. In charge of this worthy movement Hoover has placed Miss Lilian Bell, of Chicago, a well known journalist and authoress. During recent years she has been writing children's stories, and during the first year of the war mothered the idea of sending Christmas gifts from the United States to the orphan children of Europe. Under her vigorous campaigning she secured sufficient money, a ship, and seven million gifts, which she loaded onto her steamboat, the Jason, and sent it to Great Britain, where it was received with unprecedented honors. Miss Bell is known as an enthusiastic organizer and doubtless will soon have the children of the United States doing their bit to defeat the Hohenzollerns.

**MR. F. W. STEWART**. — Montreal has a real live Publicity Association which is doing most effective work under the presidency of Mr. F. W. Stewart. Mr. Stewart is Canadian representative of Cluett, Peabody and Company, who are among the biggest buyers of advertising space in the world. Before joining them he was connected with Tooke Bros., also great believers in publicity. A few days ago Mr. Stewart and the Montreal Publicity Association were asked to cooperate with Food Controller Hanna and take charge of all advertising in connection with the conservation of our food resources. He is an ideal man for the post, as he knows advertising thoroughly, possesses unbounded enthusiasm and a great capacity for hard work.

### THEY HOLD ABOUT ONE-EIGHTH.

According to estimates made by Robert Lynn Cox, vice-president of the Metropolitan Life, \$3,000,000,000 of the total insurance of \$25,000,000,000 in force in the United States is held by persons subject to the selective draft.

### STAYING WITH THE JOB.

(From a letter from an English Officer at the front.)  
Out there we do not talk much about the causes or the effects of the war—of civilization, justice, righteousness, democracy. We fight and recuperate and fight again; that is all.

"Yet no, not quite all; we dream. I dream about my wife and children; the cheerful home, with the pastures and the hedges and the coppice by the lodge gate; the old rector who preached so often upon the love of God and always quoted Faber's hymn:

"For the love of God is broader  
Than the measures of man's mind,  
And the heart of the eternal  
Is most wonderfully kind."

"I suppose it helps in the day's work—the dreams, I mean; because we all seem to feel that unless we check the Boche—chain him, cripple him, kill him—there will be no home to dream about, and the love of God will mock the world as a double-distilled lie. But no one ever speaks of these things. Yesterday I went over to the hospital to see one of my men who was near his end. Poor fellow, he tried hard to salute, and then asked me if the results of the football finals had come, yet all the while his twitching fingers were crushing a photograph.

"Although every last man of us would mortgage his soul to be at home and out of the horrible welter, I doubt whether a dozen of the entire expeditionary force would go of their own accord if the chance offered. One thing holds us all; there is work to do, and we must stay until it is done—nasty work, work we loathe, work that ought to be left for devils to do; but it is our work just now, and there is nothing else on earth to distract our attention or divide our energy."

### THE ANXIOUS DEAD.

(By Lt.-Col. John McCrae, of the Canadian Forces, in the Spectator.)

O guns, fall silent till the dead men hear  
Above their heads the legions pressing on:  
(These fought their fight in time of bitter fear  
And died not knowing how the day had gone.)

O flashing muzzles, pause, and let them see  
The coming dawn that streaks the sky afar;  
Then let your mighty chorus witness be  
To them, and Caesar, that we still make war.

Tell them, O guns, that we have heard their call,  
That we have sworn, and will not turn aside,  
That we will onward till we win or fall,  
That we will keep the faith for which they died.

Bid them be patient, and some day, anon  
They shall feel earth enwrap in silence deep,  
Shall greet, in wonderment, the quiet dawn,  
And in content may turn them to their sleep.

### CAR SCARCITY.

The empty car situation is as bad in Quebec Province at the present time as it was the worst period during last winter. While all classes of business are suffering from a shortage of cars, the pulp and paper men and hay growers are being inconvenienced the most, as these people find it imperative to get out their pulpwood and hay before the country roads freeze over. The big pulp and paper mills are so seriously affected that a number of them must either curtail production or close down unless cars are forthcoming. The Pulp and Paper Association is sending a representative to Washington to interview the Inter-State Commerce Commission in an endeavor to have that body send empty cars to Canada to carry out paper products. As three quarters of our paper is exported the United States has a very real interest in relieving the present car shortage.

The acute shortage this year is attributed by railroad men to the desire on the part of the Government and railroads to remove as much as possible of the grain crop before the close of navigation. It is probable that when the St. Lawrence River freezes over and navigation closes a certain measure of relief will come through the release of cars which have been carrying grain, but at the best the situation is causing real anxiety to railroad men who try to cater to the requirements of their customers, and to the customers themselves who are unable to get an outlet for their products.



## Conditions in the West

By E. COEA HIND.

WINNIPEG, October 18.

The weather has turned suddenly cold with considerable snow and threshing is suspended. This is exceptionally early for so heavy a snow fall and there is some uneasiness for fear this should mean the real setting in of winter. A very great deal of the threshing has been done, but there is still a very considerable amount to do, especially in Northern Alberta and Saskatchewan.

Receipts at Winnipeg in the past few days have been affected by the change in the weather in the matter of quantity; the grade, however, is fully maintained, and much wheat weighing 65 pounds to the measured bushel is coming in. The condition of the market is that of extreme dullness. The Wheat Export Company is taking all wheat offered of the grades of which prices have been fixed and would take a great deal more than is offered if it were possible to get it. The announcement by the Minister of Finance that the finances had been arranged for the purchase of the entire exportable surplus brought a measure of relief, but even yet, the trade has no definite assurance that Britain and her Allies will continue to take the wheat as it is accumulated. The price is based on Fort William, and the line elevator companies would like some definite assurance that as they accumulate lines in the country and forward it to the lake front the Wheat Export Company will assume ownership. For example, after the close of navigation, wheat will begin to accumulate in the terminals at the lakes and comparatively little of this will be gotten out during the winter. Are the elevator companies to pay storage all winter and then receive the fixed price in the spring, or will the Wheat Company assume the ownership of the wheat when it arrives? So far no light on this knotty problem has been vouchsafed to the trade. It is usually figured that the carrying charge from December to May is from 8½ to 9 cents; it would be a little more this year, owing to the high rate of insurance. The line elevator companies are buying in the country on the basis of \$2.21. If they have to pay a carrying charge at the terminal elevators from December to May and then receive just \$2.21 for No. 1 Northern, the prospect is not very alluring.

Trade in coarse grains is on the whole rather dull. On Wednesday, the report came from New York to the effect that Great Britain was prohibiting the export of flax from the colonies, including Canada. It was expected that this would have a bearish affect, but so far the flax market has been stronger. This may mean a cleaning up of business before the order actually goes into effect, and that the drop will come later, but in the meantime, prices are quite stiff, and the demand fairly limited.

### OLEOMARGARINE.

The dairymen of the west, in common with those of the whole of Canada, are greatly exercised over the proposal to permit the manufacture and importation of oleomargarine. Ever since the beginning of the war, the agitation for this has occurred at frequent intervals, but it is much more insistent at the present time than it ever was before. The situation in the west is that while there is about the usual quantity of creamery butter in store, a much larger percentage than usual is owned by consumers. This is especially so in Winnipeg. The best grade of creamery butter is retailing to-day at 50 cents, with every prospect that it will go higher. The scarcity of labor on the farms and the improved price of butter fat at the creameries has induced the great bulk of the dairy farmers to send their cream to the creameries, and the amount of dairy butter is smaller than it has been for some years. The advance in the price of butter fat from the first year of the war until the present is fully 14 cents a pound.

The question of butter in the west is not merely one of luxury; it is one of necessity. The severity of the winters necessitates a very considerable consumption of some kind of fat, particularly by children, to keep them in good health. People in anything like moderate circumstances cannot buy butter at 45 or 50 cents a pound and give their children the quantity they should have, and milk is very dear also. Then the necessity of curtailing the use of bacon, as well as the high price, has limited that source of fat. Dairy butter and bacon were the two principal sources of fat to people of more moderate means, so that the situation is really grave in the west.

Whether it can best be met by the introduction of oleomargarine it is difficult to say, but it is not at all difficult to see why consumers are clamoring for something to be done. Of course, the claim is made that the fat in oleomargarine is not nearly so digestible for children as butter, but at the present time the question is largely one, not of digestibility, but of going without altogether, unless some cheaper form of fat can be secured. Grown people may stint themselves in the matter with no particularly bad results, but children who are starved for both butter and milk are drawing on capital, and if the war has pressed home nothing else it has pressed home the need of the care and preservation of the children.

### LIVESTOCK.

Livestock conditions in the west have been pretty badly congested the past few days, and an embargo has been placed on the Winnipeg yards until things clear up a little. The Winnipeg yards were enlarged this present season, but the enlargement was not nearly sufficient to meet the increased volume of trade, and moreover, there is a shortage of trackage. These things cannot be remedied this fall, but the matter is being urged on the management of the yards in order that something may be done in the early spring.

Everything that is possible has been done to stimulate the development of the live stock industry and the cattle men feel rather sore that the yards have not kept pace with the development. However, there is this to be said in justification of the management of the yards, that it was not possible to foresee the extremely heavy liquidation which has taken place this fall. Part of it is due to the shortage of feed in some districts, and much of it is due to the high prices and then the movement of feeder cattle from one point to another has helped to add to the congestion.

A comparative statement of the movement of feeder cattle is just issued for the nine months ending September 30th, and shows that in these nine months 26,267 head of stockers and feeders have gone west from the Winnipeg yards. In the same period of 1916 the total movement was 12,037 and in 1915, 5,018. It will be seen from these figures that the nine months have produced a traffic four times as large as the corresponding nine months of 1915. In the same period the shipment east has been 7,017, in 1916 it was 302, and in 1915 it was 54. On the other hand, the movement south has been smaller, being only 11,295 in 1917 against 12,292 in 1916, and 28,920 in 1915.

The embargo has had the effect of lowering the price to some extent, and also the market was affected by the embargo placed on South St. Paul, as it cut out the speculative element for the time being. Compared with cattle, receipts of hogs have been very limited.

### SHEEP.

The endeavors of the Dominion Government to have sheep, or rather lambs moved from the east to the west has proved abortive. Apparently, the eastern flock masters, as soon as they thought that lambs were needed in the west, jumped the price. Now an effort is being made to allow of sheep being brought in from Montana.

All the western provinces have sheep sales on in the latter part of the present month and the beginning of the next, and they are including grade sheep as well as pure bred.

### BINDER TWINE.

A good deal of interest has been aroused by the statement that there are great quantities of binder twine left over from the recent harvest, and inquiries prove that is to some extent true. The crop of 1917 was very lightly strawed, and took much less than usual to bind it, whereas the orders for twine had been on the basis of a nominally strawed crop. Very few farmers, however, are seeking to have this binder twine taken off their hands. They realize that it is a very good thing to have a reserve and their only anxiety is to preserve it against the mice.

In October, 1914, the price of sial was 4 cents a pound; to-day it is 19½ cents a pound, f.o.b. New York, and it is likely to go higher, as it is controlled by a combine, and war conditions have cut off the competition by Manila and Java twine.

There is another announcement of a method having been found to utilize flax straw for binder twine

making, and this time it is receiving considerable encouragement from the officials of the Saskatchewan Government and also from the officials of the Saskatchewan Grain Growers' Association. If a means of utilizing this substance has really been found, it will be almost invaluable, but this has been attempted so often that everybody will be from Missouri with regard to the new venture, until it is very clearly demonstrated to be practicable.

### OFFICIAL CROP REPORT.

OTTAWA, October 18.

The Census and Statistics Office published to-day the second or provisional estimate of the yield of the principal grain crops of Canada in 1917, a statement of the quality of these crops at the time of harvesting and the condition of root crops on September 30. The report is compiled from the returns of crop correspondents made at the end of September.

### YIELD OF PRINCIPAL GRAIN CROPS.

The estimates of the yield per acre of wheat, oats, barley and flax are somewhat lower than those reported at the end of August, and the reduction applies to all the provinces. The latter returns being based to a larger extent upon threshing results appear to indicate that the first estimates, based upon the appearance of the crops in the field, were too high. The total yield of wheat for Canada is now provisionally estimated at 231,730,200 bushels, the average yield per acre being 15½ bushels, as compared with 16½ bushels reported a month ago and with 17 bushels the yield of 1916. Of oats the total yield is 393,570,000 bushels, as compared with 410,211,000 bushels in 1916, the average yield per acre being 29½ bushels in 1917 as compared with 37.30 bushels in 1916. Barley yields 51,684,000 bushels, as compared with 42,770,000 bushels in 1916, the average per acre being 21½ bushels as compared with 23.72 bushels in 1916. The yield of rye is 4,239,800 bushels, which is slightly more than the quantity returned a month ago; the yield per acre is 20 bushels as against 19.3 bushels in 1916. For the three prairie provinces the yields are as follows: Wheat 209,794,200 bushels, oats 237,925,000, rye 2,534,000 bushels, barley 36,727,000 bushels, flaxseed 6,747,000 bushels. The total yields of the remaining grain crops, now reported for the first time this year, are as follows: peas 2,786,600 bushels from 151,030 acres, an average of 18½ bushels per acre; beans 635,700 bushels from 43,000 acres, average 14½ bushels per acre; buckwheat 7,189,000 bushels from 336,400 acres, or 12½ bushels per acre; mixed grains 15,741,000 bushels from 469,140 acres, 33½ bushels per acre and corn for husking 6,193,000 bushels from 173,600 acres, an average of 35½ bushels per acre.

### QUALITY OF GRAIN CROPS.

Correspondents were asked to report on the quality of the grain crops at the time of harvest, as measured against a standard of 100, representing grain well headed, well filled, well saved and unaffected to any appreciable extent by frost, rust, smut, etc. The average results for the whole of Canada are as follows: Fall wheat 76, spring wheat 72, all wheat 73, oats 74, barley 75, rye 79, peas 69, beans 71, buckwheat 63, mixed grains 79, flax 67, corn for husking 67. The figures are generally high for Ontario, wheat being 80, oats 92 and barley 89. In Quebec wheat is 67 and oats are 74. In the Prairie Provinces wheat is 75 in Manitoba, 70 in Saskatchewan and 75 in Alberta. Oats are 62 in Manitoba, 57 in Saskatchewan and 56 in Alberta.

### CONDITION OF ROOT AND FODDER CROPS.

The condition of root and fodder crops, measured against a standard of 100 as representing a full crop, was, on September 30 as follows: Potatoes 64, turnips 72, mangolds, carrots, etc., 77, sugar beets 76, corn for fodder 72 and alfalfa 81. The condition of the potato crop by provinces was on September 30 as follows: Prince Edward Island 81, Nova Scotia 77, New Brunswick 57, Quebec 47, Ontario 81, Manitoba 69, Saskatchewan 71, Alberta 89 and British Columbia 70.

### A FRUITFUL VINE.

(London Times, Sept. 6.)

Grapes grown on the great vine at Hampton Court Palace, which was planted in 1768, were cut yesterday by special permission of the King, and a large quantity of them was allotted to the Dowager Lady Wolseley for distribution among wounded soldiers in local military hospitals. The grapes are in fine condition and some of the bunches are unusually heavy.



## Public Opinion

### THE DIPLOMATIC WAY.

(Springfield Republican.)

No doubt Count Luxburg, who suggested that if Argentine ships were sunk all on board be put to death, will be asking for a safe conduct.

### YALE MEN AND THE WAR.

(McGill Daily.)

Yale opened its 218th academic year on Thursday, September 26, with its registration cut by war conditions from 3,300 to 2,000, or slightly more than one-third.

### A CONSIDERATE CORRESPONDENT.

(Toronto Globe.)

There is a warm spot in our hearts for the man who wrote to say that he had written a letter dealing at great length with the political situation and had then torn it up because he sympathized with the editors.

### TRICKS OF THE TRADE.

(Buffalo Commercial.)

Great Britain limits the height of women's shoes to save leather. That is not done here, we presume, because there is no actual shortage of leather, only an artificial scarcity designed to increase profits already excessive.

### HARD TO GET MONEY.

The seventh German war loan is about to be launched, and its terms are in curious contrast to those of the preceding issues. Under the new conditions subscribers must pay 10 per cent, down and are allowed from ten to twenty years to make up the balance. This means that if a Teuton citizen subscribed \$100 he would have to pay only \$10 at once and could spread the remainder over twenty years. Truly, Germany is finding it as hard to finance the war as to secure men to carry it on.

### PEACE CASUALTIES.

(The Ground Hog.)

Figures from the war in Europe show that 6 per cent of the men engaged in the artillery are killed; that 15 per cent of those engaged in infantry are killed.

Recent figures also show that 35 per cent of the babies born in the most congested district of Chicago die before they are a year old.

All of which means that it is better to be a soldier in war than a baby born in the congested district of Chicago. This condition is due to high and privately appropriated land values.

### THEIRS IS THE SACRIFICE.

(New York World.)

Theirs is the sacrifice, theirs the service no home support, however swift and generous, can match. Sailor and soldier, volunteer and selected man, doctor and nurse and stretcher-bearer, they are going out to such vigils and sufferings of cold and exposure and such horrors of combat as imagination balks to paint. They are risking their lives with a song. They risk the tortures by which German ideals of might-made right have transcended the stake-fires of the Sioux. They see the splendor of the autumn, and dare a lifetime in blindness. They glory in their strength, and go to meet the agonies of poison gas, or maiming worse than death.

### MAUDE CAN FIGHT.

(New York Times.)

This is a victory won by strategy, dash and determination, a victory of the old-fashioned kind of fighting, a victory won in Maude's own way. Followed by anxiety rather than hope, this General set out on his campaign in a region sinister with repeated disaster to the British arms; an ill-omened region. The hopes that followed his forerunners, but did not follow him, he has more than fulfilled on every occasion. He has met with no defeats, only with victories, victories won with that satisfying thoroughness which leaves nothing to be desired. His plans seem to be perfect and are always carried out to the letter. Whenever he strikes, he strikes like a thunderbolt. This accomplishment of his, the capture of an enemy army, has no precedent on the side of the Allies since the war began and in the fact that it was won by sheer strategy, combined with the vigor of action that is always his, it has no precedent on either side, Maude is reminiscent of Wolfe.

### IMPERSONATION.

(Washington Post.)

It is said to be the death penalty in Germany to impersonate an army officer, but so far the Crown Prince has escaped.

### SKY-ROCKETING.

(Charleston Evening Post.)

The suspense of watching for bread-and-coal prices to fall gets more and more thrilling.

### THE BREAKS AND BULGES.

(Engineering and Mining Journal.)

The man who in Stock Exchange gambling indulges should buy on the breaks and sell out on the bulges, but be sure that you do not make any mistakes as to which are the bulges and which are the breaks.

### THE TRAITOR'S CHAIR.

(Baltimore Star.)

Cincinnati has reverted to the old stocks in order to punish those who utter seditious language. The stocks are placed in the centre of the city's largest park and bear in bold lettering: "These are for traitors." Good for the Ohio city.

### A MUCH NEEDED STEP.

(Toronto Globe.)

It is reported that the Dominion Government will prohibit the manufacture of liquor, including beer. Such a step would enormously aid the food conservation policy. Not only would it save the grain wasted by breweries and distilleries, but it would remove the objection of many persons to signing the food pledges.

### "WILLY" THEN AND NOW.

(New York Herald.)

When Russia's fleet was bottled up in Port Arthur harbor with Togo on watch outside the Kaiser was profuse in urging upon the Tsar the wisdom of sending his ships outside to give battle. Now that his own fleet is bottled up at Kiel, with the British on watch outside, the Kaiser insists that the first duty of war ships is to surround themselves by dry land, and stay surrounded.

### IN FAVOR OF SINGLE TAX.

(Square Deal, Toronto.)

"The Southern Cross," the organ of the Irish Roman Catholics of the Argentine, has for almost a year been carrying on an educational campaign in favor of the Single Tax, every issue containing one or more able articles. It is cheering to find a religious paper realizing so clearly the relation between social organization and morals. Our Canadian churches have not yet had the courage or insight to face fundamental social issues.

### EARL GREY.

(Canadian Co-operator.)

Earl Grey was a co-operator in the true and complete sense. While he had no need of the savings and financial advantages accruing from co-operative effort, he had a fine vision of the co-operative commonwealth. He saw as clearly as any of his less exalted fellow-citizens that the co-operative interpretation of life would inevitably lead to a general improvement of the human race, and the solution of social and economic problems.

### GERMAN ESPIONAGE.

(Christian Science Monitor.)

There was, apparently, no place where the German spy was not in 1914-15, and the world was asked, by the admirers of German efficiency, to stand at respectful attention and be properly amazed.

But, on the whole, German espionage has been characterized by clumsiness and stupidity. Its operations have been detected, exposed and rendered ridiculous by the secret service of a country that has never had any particular respect for espionage, and that has less respect than ever for it to-day. There is not a single instance, in which the protective secret service of the United States has been called on to contend with the aggressive German espionage system, where the latter, with all its pretensions to efficiency, has not, if we may borrow a phrase from Colonel Roosevelt, been "beaten to a frazzle."

### NATIONAL SERVICE LINE.

(Chicago Herald.)

Every productive industry is on the battle-line to-day and every man who quits it without good cause is a military deserter.

### STATUS QUO ANTE?

(Wall Street Journal.)

A Belgian definition of the "status quo ante" would include the restoration of the age of miracles and the resurrection of the dead.

### OUR SIR DOUGLAS.

(London Daily News.)

Having occasion yesterday, writes a correspondent, to examine the service record of a soldier who enlisted in a cavalry regiment some 30 years ago, I was attracted by the bold and decisive signature of the officer who certified the entries as correct. It was "D. Haig, Lt."

### LONDON'S NEW LORD MAYOR.

(Hamilton Herald.)

Speaking of Charles A. Hanson, the new Lord Mayor of London, it has been frequently stated in Canadian papers that he was once a stockbroker in Montreal. But another fact in his Canadian career is not so well known—that he was, some forty years ago, a Methodist minister in Ontario.

### BRITAIN ON THE JOB.

(Toronto Globe.)

The British are fighting in Belgium, France, Austria, Persia, Mesopotamia, Palestine, South Africa, and a few other places that have escaped the attention of some of the pessimists, but are painfully well known to the foe.

### BEGGARS ARE CHOOSERS.

(Southern Lumberman.)

The experiment of introducing corn as human food has not met with much success in England. The board of guardians of Strood, a town in Kent, bought \$150 worth of corn to be served to the paupers in the workhouse, but they refused to eat it.

Corn, or "maize" as it is called in England, is regarded as fit only for cattle. An English writer surmises: "When this food was offered to the paupers, they probably thought they were being classed as cattle, and for that reason they indignantly asserted their manhood."

It seems clear that the thing was handled in the wrong way. Corn on the cob, well-buttered, should have been offered first to the rich.

### "BACK TALK" PERMISSIBLE.

(Christian Science Monitor.)

The right of the telephone subscriber to "talk back" to a telephone operator, in case of poor service, has been upheld by a ruling of the Public Service Commission of Missouri. This is a right that never should have been questioned, in Missouri, or anywhere else. There is nothing so sacred about the telephone that it cannot properly be held to the proper discharge of its functions, and to the proper fulfillment of its contracts. Of course, protests over the wire should be couched in language such as is deemed legitimate when people are talking face to face, but that is all the manager or operator of a poor telephone service has a right to expect. There must sometimes be "back talk," if corporate imposition is not to be licensed.

### IN ANOTHER FORTY YEARS.

(Kansas City Times.)

Only forty years ago the telephone was spoken of in the Kansas City Times as "the marvellous new invention." In the exposition held there in September, 1877, a telephone was displayed in Art Hall, and that was the first time Kansas City had seen one. Only forty years since the telephone was introduced, and now they talk through a wire from Boston to San Francisco; and even the wire is beginning to be obsolete, for they are communicating without wires across the oceans. Forty years from to-day there may appear an item from the papers of 1917 telling of the efforts to get enough gas to cook with, and electric light at a decent price, and some commentator of that day may say: In this day of radio light and heat free as air to all it is almost impossible to realize that only forty years ago people were dependent upon gas pumped through pipes underground; and upon coal; and the streets were disfigured with poles and wires for conducting electric current.



# AMONG THE COMPANIES

## NEW COMPANY FOR RAND GOLD MINING.

### Details regarding plans of Anglo-American Company.

What is regarded as the forerunner of the opening of important new gold areas on the Rand and an intimate identification of American capital with that field is the formation of the Anglo-American Corporation of South Africa, Ltd., with an initial capitalization of £1,000,000. This is likely to be increased by £2,000,000 in the early future. The new enterprise, recently incorporated under the laws of the Union of South Africa, has just completed its organization by electing the following directors: Ernest Oppenheimer, chairman, Hugh Crawford and Henry C. Hull, all of South Africa, and Charles H. Sabin, William B. Thompson and William L. Honnold, of New York. Messrs. Oppenheimer and Honnold are permanent directors.

One of the objects of the new company is the opening of certain important new areas of Government mining ground surrounding the operating mines of the Rand selection group.

The mines controlled by the Consolidated Mines Selection Company, with which the new company is affiliated, represent a valuation on the basis of today's market prices of over \$60,000,000. Under the arrangements entered into the Consolidated Mines Selection Company and interests identified with it will provide one-half of the new capital called for, and the Anglo-American Corporation the balance. In other words, the two companies will operate on a basis of complete equality, as indicated by the constitution of the board, which will be made up one-half American and the rest British interests.

The new company has already acquired large interests in operating mines of the Mines Selection group, and contemplates taking a leading part in future financial activities of South Africa.

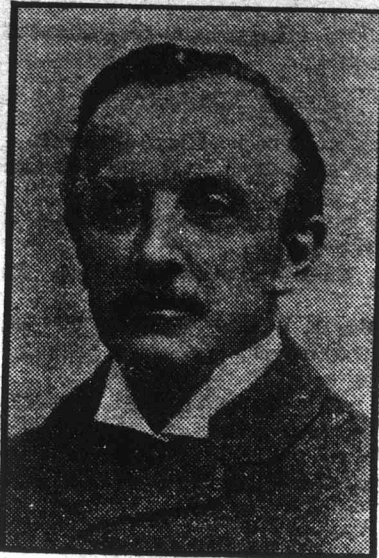
Mr. Oppenheimer is an important factor in both diamond mining and gold mining in South Africa; Mr. Crawford is chairman of the National Bank of South Africa, and Mr. Hull, who was formerly Minister of Finance of the Union of South Africa, is identified with important enterprises in that country. Mr. Honnold was in South Africa for 14 years, first as consulting engineer for the Consolidated Mines Selection Company's group of mines, and later as managing director in South Africa of the Consolidated Mines Selection Company Ltd., and chairman of the boards of directors of the mines of that corporation's group. The new enterprise is the outcome of Mr. Honnold's connection with these enterprises.

Full details regarding the proposed plans may be made public within the next fortnight or so. Rumors are current that Morgan and Rockefeller interests are identified with the undertaking but without official confirmation.

London, October 1. — Regarding the formation of the Anglo-American Corporation of South Africa further particulars are available. The registered capital is £1,000,000, and this has been subscribed at par. Power has been taken to increase the amount by a further £2,000,000, while there are borrowing powers up to twice the amount of the issued capital.

The board is an exceptionally strong one, and consists of Ernest Oppenheimer, chairman, and W. L. Honnold (these two are permanent directors) the Hon. H. Crawford, chairman of the National Bank of South Africa; the Hon. H. C. Hull, a solicitor, and once Union Minister of Finance; Charles H. Sabin, president of the Guaranty Trust Company of New York, and Boyce Thompson. From the names of the American directors it is inferred that the Morgan interests are behind the undertaking. This is a distinct score for those who conceived the idea. Attempts have previously been made, and not with conspicuous success, to induce Americans to invest capital in South Africa. That the Morgan group should open the ball seems to indicate their conviction that a profitable field is open for superfluous dollars.

So far as can be gathered, the Anglo-American Corporation has for its immediate object to participate in tendering for the mining rights of the Government leases in the Far Eastern Rand. A further object is stated as "to support a vast industrial developing scheme for South Africa." This is a some-



Mr. ALFRED SMITHERS,  
Chairman of the Board of G. T. P. who presided at the annual meeting of the Company held here a few days ago.

## ABITIBI PAPER CO.

The output of the Abitibi Paper Company has been doubled as a result of the completion of the new pulp mill, according to an announcement of President F. H. Anson. He states that instead of 65 tons a day, the sulphite pulp plant is now turning out 130 tons a day, while at the same time the company's capacity of ground wood pulp has been increased to 300 tons daily. "We are selling now to the extent of our total increased output, and the prospects are that we will be able to do so for some time."

## FORD MOTOR OF CANADA.

Profits of Ford Motor Co. of Canada were \$2,322,646, equal to \$33.18 a share on capital stock of \$7,000,000, in the fiscal year ending July 31, 1917.

This profit, added to a balance of \$1,039,122 at the end of the preceding fiscal year and a rebate of \$18,813 on 1915 taxes, left a profit and loss balance for the year of \$2,445,139 after payment of \$935,443 for 1916 and 1917 war taxes.

Cash on hand amounted to \$2,066,455, accounts receivable to \$1,307,825, and \$3,859,214 was in stores accounts and \$5,185,924 in plant accounts, all included in the total assets of \$12,510,130.

## ONTARIO NATIONAL BRICK CO.

That proceedings are pending for the winding up of the Ontario National Brick Company, Limited, is evidenced by the publication of a notice calling a meeting of the bondholders in this city for Nov. 29 to consider what action they should take under the circumstances.

The amount of bonds outstanding is \$1,250,000, dated Dec. 1, 1912, and due in 1952. There was also issued \$2,000,000 of common stock. A number of interests in the National Brick Company of Laprairie were the promoters of the company, the brick industry at that time being in a decidedly prosperous condition. The brick business fell off afterwards and has been at low ebb since the war started. No bond interest has been paid since December 1914.

what nebulous description. As, however, anything vast would be in the cognizance of the Union Government, the question half suggests itself that a Union loan is to be provided by American capital. Whatever may be read into the cryptic statement, there is no doubt whatever that with the present capital and the borrowing powers big business is in prospect for the corporation.

A point not to be overlooked is that in the event of the corporation proving successful in its tender for leases ample funds will be available for equipment and development without the delays incident to obtaining Treasury consent. In the circumstances such consent will not be needed, as the funds will be supplied from the other side of the Atlantic.

## DULUTH-SUPERIOR CO.

Gross passenger earnings of the Duluth-Superior Traction Company for the first week of October were \$30,367, which is a gain of \$3,046, or 11.1 per cent., over last year. The percentage gain for the year to date is 15.3.

## TICONDEROGA PULP AND PAPER CO.

Ticonderoga Pulp and Paper Co. has declared a dividend of 10 per cent., payable December 1st to shareholders of record November 30th. An initial dividend of the same amount was paid in June. Riordon Pulp and Paper Co., as the holder of 70 per cent. of the Ticonderoga's \$360,000 common stock capital, will be the chief beneficiary from the distribution.

## INTERNATIONAL PETROLEUM CO.

International Petroleum Co., Ltd. reports for year ended Dec. 31, 1916, net earnings of \$905,614, or more than 13 per cent. on \$6,265,000 common stock. Balance sheet shows property assets of \$6,223,000; other investments \$345,000; inventories \$1,942,000; accounts receivable \$2,177,000 and cash \$498,000. Balance credited to profit and loss at end of year was \$905,614, undivided profits at end of 1915 being \$395,482.

## NOVA SCOTIA STEEL AND COAL CO.

Output of the Nova Scotia Steel and Coal Company for the quarter ending September 30, compares with the two preceding quarters as follows:

	Third quarter	Second quarter	First quarter
Coal mined. . . . .	139,789	152,076	146,525
Ore. . . . .	7,174	14,238	12,177
Lime stone. . . . .	17,000	20,896	21,474
Coe. . . . .	25,268	25,874	25,565
Pig iron. . . . .	21,874	21,971	21,103
Steel ingots. . . . .	30,845	33,317	.....
Fin. Steel and Forg. . . . .	22,657	28,904	28,598

## AETNA ENTERS CANADA.

The Aetna Casualty and Surety Company and the Automobile Insurance Company of Hartford, the two big companies of Connecticut, organized by and affiliated with the Aetna Life Insurance Company, writing all lines of casualty and fire insurance, are applying for license in Canada.

The Aetna Life has been transacting life insurance in the Dominion for more than half a century, being represented in Montreal by T. H. Christmas & Sons, who have been managers for the company since its entry in Canada, and by Johnson & Orr in Toronto. These gentlemen will materially assist in development of the general casualty business.

## CONSUMERS GLASS COMPANY.

The Atlas Glass plant, or later known as Premier Glass, which has been in the market for some years, has been acquired by a company which will be known as the Consumers Glass Company, composed of well-known local capitalists, who are now organizing to commence operations.

The plant which was brought nearly to a state of completion about the time the business boom of 1912-13 culminated was never operated and finally fell into the hands of the bondholders.

It was acquired by a concern known as the Premier Glass Company to form one of a combination of Canadian glass plants, but the deal did not develop to the stage of operations and the plant has lain idle for the past few years.

It is located at Ville St. Pierre and is regarded as an up-to-date plant and it is believed that there is plenty of room in the Canadian market for another producer, as a large quantity of glass goods are annually imported.

The board of directors of the new company is understood to be as yet in an incomplete state. It was stated in the Street that the purchase price was a bargain amounting to 40 per cent. of the original cost and could not be duplicated today for a much larger sum.



# AMONG THE COMPANIES

## HOWARD SMITH DIVIDEND.

Howard Smith Paper declared regular quarterly 2 per cent on common, payable November 1 to stock record of October 26.

## KERR LAKE MINES.

Production at the Kerr Lake Mines is understood to be maintained at seven thousand ounces of silver per day and ore deposits is steadily being revealed beyond the previously known limits. The appeal to shareholders for dissolution of the company in the United States and reformation in Canada for the purpose of eliminating double taxation, has met with favor among shareholders here.

## FAILURES LAST WEEK.

Commercial failures last week as reported by R. G. Dun & Co., in Canada numbered 30, against 16 the previous week, 24 the preceding week, and 26 last year. Of failures this week in the United States, 105 were in the East, 66 South, 55 West, and 39 were in the Pacific States, and 84 reported liabilities of \$5,000 or more, against 51 last week.

## SOUTHERN CANADA POWER.

The gross earnings of the Southern Canada Power Company for the month ended August 31, aggregated \$36,665, an increase of \$10,161 and net earnings \$16,177, an increase of \$2,924. For the eleven months ending with August the gross earnings were \$408,017, against \$295,561, and the net \$192,517, an increase of \$42,491. Following is a comparison of earnings this year with those for the corresponding periods of 1916:

	August, 1917.	1916.	Inc.
Gross. . . . .	\$ 36,664	\$ 26,503	\$ 10,161
Expenses. . . . .	20,488	13,251	7,237
Net. . . . .	\$ 16,177	\$ 13,251	\$ 2,924
11 Months.			
Gross. . . . .	\$408,017	\$295,561	\$112,456
Expenses. . . . .	215,500	145,534	69,965
Net. . . . .	\$192,517	\$150,027	\$ 42,491

## CANADIAN TRADE FOR SIX MONTHS.

The total trade of the Dominion for the first six months of the fiscal year ending with September amounted to \$1,347,781,936, as compared with \$1,148,859,412, an increase of approximately two hundred million dollars. For the month of September, Canada's trade reached the large figure of \$193,803,517. For September, 1916, it was \$161,767,951.

For the six months' period free goods were imported to the value of \$250,836,205, and dutiable goods to the value of \$299,089,013. Imports totalled \$549,925,223, apart from coin and bullion, as against \$390,965,243. Duty collected for the six months amounted to \$88,280,620, as compared with \$70,102,854 for the same period last year.

Domestic goods to the value of \$767,091,657 were exported during the six months. Last year for a similar period the value of domestic exports was \$536,722,671.

The total value of domestic manufactured goods exported for the six months was \$345,960,399, as compared with \$190,823,240 in a similar period last year. Agricultural products (domestic) exported during the six months' period reached a total of \$260,654,960, as compared with \$206,141,326 last year. Domestic animals exported were valued at \$83,002,705, as against \$53,382,886 last year.

## WINTER TOURS.

If you are contemplating a tour this season to California, New Orleans, Florida, or any of the numerous Southern resorts, consult M. O. Dafoe, 122 St. James street, corner St. Francois Xavier street, for full information, rates, reservations, etc. Special fares are now in effect via Grand Trunk Railway System—stop over privileges as allowed.

## NEW COMPANIES.

The following new companies are announced in the various gazettes:

### FEDERAL CHARTERS.

L'Intermediaire, Limitee, Montreal, \$99,000.  
Consumers' Glass Company, Limited, Montreal, \$1,000,000.  
Canadian Union Iron Mines Corporation, Limited, Montreal, \$1,000,000.  
Dominion Battery Company, Limited, Montreal, \$200,000.  
McGaw-Dwyer, Limited, Winnipeg, \$500,000.  
Universal Commission Company, Limited, Winnipeg, \$40,000.  
Warren Collieries, Limited, Toronto, \$5,000.  
Potato Products Company, Limited, Woodstock, \$50,000.  
Canada Scale & Slicer Company, Limited, Toronto, \$50,000.

### QUEBEC CHARTERS.

La Compagnie d'Aqueduc d'Actonvale, Actonvale, \$20,000.  
Victor Realities, Limited, Montreal, \$99,000.  
Eastern Agency Limited, Toronto, \$40,000.  
Ricardo Gramophone Company, Limited, Montreal, \$20,000.  
Dominion Dress Mfg. Company, Limited, Montreal, \$20,000.  
Hoffman Cafe, Limited, Montreal, \$10,000.  
Dufresne, Limitee, Montreal, \$20,000.  
Merchants Protective Bureau, Incorporated, Montreal, \$20,000.  
The Wing On Club, Montreal, \$5,000.  
Myrand & Pouliot, Limitee, Quebec, \$250,000.  
La Compagnie de Produits Generaux, Limitee, Montreal, \$20,000.  
Laiterie Frontenac, Limitee, Quebec, \$45,000.

### ONTARIO CHARTERS.

Bethune Pulp and Lumber Company, Limited, Toronto, \$50,000.  
Crystal Products, Limited, Toronto, \$300,000.  
Canuck Automobiles, Limited, Toronto, \$40,000.  
The Empire Land Company, Limited, Niagara Falls, \$150,000.  
The Fairbairn Truck Manufacturing Company, Limited, Toronto, \$40,000.  
Hill Bros., Limited, Markdale, \$40,000.  
Laskey-Komer Realty Company, Limited, Windsor, \$25,000.  
The Magnet Toy and Novelty Company, Limited, Port Hope, \$100,000.  
J. B. Nicholson, Limited, Hamilton, \$40,000.  
Ontario-Quebec Pulpwood Company, Limited, Cochrane, \$40,000.  
Park Homesite Company, Limited, Toronto, \$40,000.  
West View Park Land Company, Limited, Windsor, \$40,000.

### BRITISH COLUMBIA CHARTERS.

Vancouver Island Mortgage Company, Limited, Vancouver, \$350,000.  
Tertiary Mining Company, Limited, Vancouver, \$70,000.  
Princess Copper Mines, Limited, Victoria, \$400,000.  
Guarantee Mortgage Corporation, Limited, Vancouver, \$20,000.  
British Columbia Hotels, Limited, Vancouver, \$30,000.  
Knowles Company, Limited, Vancouver, \$25,000.  
Wallace Foundry Company, Limited, North Vancouver, \$75,000.  
Western Mercantile Company, Limited, Nanaimo, \$50,000.  
Daily Province Real Estate Association, Limited, Vancouver, \$250,000.  
Aleza Lake Mills, Limited, Victoria, \$25,000.  
New York Outfitting Company, Limited, Vancouver, \$20,000.  
Dicks, Limited, Vancouver, \$15,000.  
Anyox Drug Company, Limited, Vancouver, \$10,000.  
Dairy Machinery Company, Limited, Vancouver, \$10,000.  
Mankin Lumber & Pole Company, Limited, Hall, \$100,000.  
Canadian Kill-Glare Lens Company, Limited, Vancouver, \$30,000.

## UNION BAG AND PAPER CO.

Union Bag and Paper Co. which controls the St. Maurice Paper Company, at Three Rivers, and has a good many Canadian shareholders, declared yesterday an extra dividend of 2 per cent, payable in Liberty Loan bonds on November 15th, to shareholders of record Nov. 5th. The company has been paying quarterly dividends at the rate of 6 per cent. per annum. Last February a 2 per cent. extra was distributed.

## ORE OUTPUT.

Ore shipments from the Cobalt camp in the month of September were far beyond previous records, the total of 4,737,811 pounds, which includes 69,100 pounds from the Miller Lake O'Brien Mine, being over 1,500,000 pounds greater than in July, the previous high month of the year.

Nipissing with 26 cars of ore, containing 1,830,900 pounds, was, as in the previous month by far the heaviest shipper.

The record for the year to date is:—

January, 1,965,011; February, 1,513,209; March, 2,300,692; April, 1,913,741; May, 2,637,394; June, 3,333,265; July, 3,621,305; August, 3,595,201; September, 4,737,511.

## PAPER CO. TAKES NEW AGENCIES.

The Canadian Export Paper Company, which has been in charge of the export of Laurentide, Abitibi and other mills and has dealt only in newsprint and pulp, has taken the agency of a number of other paper mills in Canada, such as the Provincial Paper Mills and the Howard Smith Paper Mills, makers of book and writing papers, of medium and fine grades, and will push these in connection with the sale of the other two lines. A big field, it is expected, is ahead in these directions as well as in pulp and newsprint.

## BANK OF N. S. ACQUIRES NEW PROPERTY.

The bank of Nova Scotia has acquired the property of 35-37 King street West, Toronto, adjoining their head office building and formerly occupied by the Quebec Bank. The property measures 40 x 95 feet. As the Bank of Nova Scotia owns the lot and building to the rear of this lot on Melinda street, the purchase gives them a solid block, 80 x 170 feet, with frontage on King and Melinda streets. It is likely the Quebec Bank building will be incorporated in the Nova Scotia Bank building, giving the latter one of the most commodious banking houses in Toronto.

## CANADA SAVING PORK.

Canada is making a very fine showing in pork exports to the Allied countries. In 1914 she sent them only 23,500,000 pounds, and this year she will send nearly nine times as much, or 207,000,000 pounds. This increase is due to intelligent food substitution, fish being used instead of pork and bacon. There is a decided business advantage in Canada's sacrifice, because her pork and bacon have to a very large extent replaced the Danish product, which stood high in Great Britain's import market before the war.

## LOSSES SUSTAINED BY BRITISH SHIPPING.

Aggregate of ships sunk. . . . .	Ships over 1,600 tons.		Total
	Ships over 1,600 tons.	Ships under 1,600 tons.	
Week ending Oct. 14	12	6	18
Week ending Oct. 7	14	2	16
Weekly average for September. . . . .	12.8	6.6	19.5
Weekly average for June, July, August.	18	4.2	22.2
Weekly average for March, April, May.	20.4	9.4	29.8



**CANADIAN CLEARINGS.**

The bank clearings for the week ending October 18th, at 24 Canadian cities aggregated \$309,921,977, an increase over those for the corresponding week a year ago of \$51,700,577. With the exception of Montreal, Hamilton, Peterborough and Sherbrooke, all the eastern cities showed decreases. All the western cities showed an increase, with Winnipeg's figures, 82 millions, some 18 millions above Toronto's.

**BANK CLEARINGS HIGHER.**

	1917	1916
Montreal . . . . .	\$ 97,030,071	\$ 90,439,807
Winnipeg . . . . .	82,356,330	48,428,755
Toronto . . . . .	64,326,560	66,301,876
Vancouver . . . . .	11,001,279	7,589,991
Calgary . . . . .	10,429,475	5,721,458
Ottawa . . . . .	5,773,939	6,868,349
Hamilton . . . . .	5,443,178	4,929,660
Regina . . . . .	5,195,033	3,912,112
Quebec . . . . .	4,062,165	4,182,419
Edmonton . . . . .	3,373,195	2,225,313
Halifax . . . . .	3,134,724	3,163,513
Saskatoon . . . . .	2,709,355	1,753,015
London . . . . .	2,281,569	2,402,482
Moose Jaw . . . . .	2,118,138	1,303,022
St. John . . . . .	2,112,098	2,383,313
Victoria . . . . .	1,978,152	1,707,676
Lethbridge . . . . .	1,358,890	956,448
Brantford . . . . .	929,608	992,035
Medicine Hat . . . . .	912,214	549,698
Brandon . . . . .	780,252	626,178
Fort William . . . . .	748,059	673,495
Peterborough . . . . .	699,882	663,188
Sherbrooke . . . . .	640,225	502,921
New Westminster . . . . .	527,586	334,339
Total . . . . .	\$309,921,977	\$258,221,400

**GROWTH OF ROYAL BANK.**

The preliminary figures of the Royal Bank of Canada's statement for September to the Government show general features of growth in the bank well maintained.

The total assets, which only recently crossed the \$300,000,000 mark, rose within the month \$1,858,419 to \$302,007,175. When the Quebec Bank was absorbed by the Royal about ten months ago, the total assets of the latter had reached about \$275,000,000. Growth has therefore continued apace through the year. Total deposits at the end of September were \$24,150,216, a gain of about a million dollars in the month and of about 34 millions since the absorption of the Quebec Bank.

Loans and discounts contracted about \$1,200,000 in September, and concurrently with that and the increase in deposits, there was some expansion in liquid assets as represented in call loans. In Canada the expansion amounted to about \$400,000; outside of Canada to about 3½ millions.

**THE CANADIAN BANK OF COMMERCE.**

The Board of Directors of The Canadian Bank of Commerce have declared the usual quarterly dividend at the rate of 10 per cent per annum and a bonus of 1 per cent. The books will be closed from 16th November to 30th November, inclusive.

**THE STOCK EXCHANGE.**

The local stock market showed a marked improvement during the latter part of last week. In the early part every stock on the list sank to new low levels, but following the rally in Wall Street, a considerable number of the stocks on the local list regained all that they had lost, while some more than made up lost ground.

On the whole the local list did extremely well in view of the very pronounced weakness in Wall Street. All those most closely in touch with the situation are of the opinion that the market has been completely liquidated and hereafter should show higher levels.

Total business on the Montreal board, with comparisons:

	Week ending		
	Oct. 20, 1917.	Oct. 13, 1917.	Oct. 21, 1916.
Shares . . . . .	23,630	14,704	64,055
Bonds . . . . .	\$379,325	\$194,700	\$151,400
Unl. shares . . . . .	620	210	1,099
Do. bonds . . . . .	\$ 1,000	\$192,800	

**WAR COST IS HUGE.**

War is now costing the nations of the world \$6,500,000 an hour and \$160,000,000 a day, according to estimates prepared in a booklet to be issued by the Mechanics and Metals National Bank of New York. The United States is under a present expense running to fully a fourth of the total amount, or \$40,000,000. This is a rate of expenditure greater than that of any other nation involved, Great Britain coming second and Germany third. A little less than a year ago it was calculated by the bank making these estimates that the world's total daily war cost was \$100,000,000; at the beginning of the war in August, 1914, the cost was placed at \$50,000,000.

That the total war cost to the world will be \$155,000,000,000 by next August, if peace efforts in the meantime are not successful, is a statement made by the booklet. Already the aggregate expenditures of the various nations have exceeded \$100,000,000,000, of which all but a fraction has been translated into permanent national indebtedness. Interest on public debt is now reckoned to be more than 10 per cent of the normal income of the German people, as compared with less than one-half of 1 per cent in the case of the people of the United States.

Altogether 53,000,000 men are today actively engaged in the war. To what extent the entente allies have gained superiority over Germany is shown by the bank in striking fashion. With no more than 2,000,000 American manhood enlisted the total military strength of the allies is 33,000,000, against a total for Germany, Austria Hungary, Bulgaria and Turkey of 20,000,000. The population of fourteen entente allies, from which the ranks of their armies may be replenished, is altogether 1,300,000,000, against a population of less than 150,000,000 in the central European nations.

The developed national wealth of the allies is placed at \$600,000,000,000 by the bank, while that of the teutonic powers is given as \$130,000,000,000.

Applicant for Job—What's the chance for a fellow beginning at the bottom and working up?

Foreman of Telephone Gang—None; our job is digging holes.—The Pacific Telephone Magazine.

**U. S. BANK CLEARINGS.**

Bank clearings this week at the principal cities in the United States again show a moderate falling off from the same week a year ago, the total, according to Dun's Review, \$5,569,746,635, being a decrease of 6.4 per cent., but when compared with the corresponding week in 1915 there is an increase of 18.4 per cent. The loss as compared with last year is entirely accounted for by the fact that the week this year, but the leading center still makes quite a favorable comparison with two years ago, with a gain in this instance of 7.8 per cent. Most of the cities outside the metropolis report more or less increase over both years, notable among them being Boston, Baltimore, Cleveland, St. Louis, Kansas City and Louisville, and the aggregate at all points is 5.8 per cent. in excess of the corresponding week in 1916. Average daily bank exchanges for the year to date are given below for three years:

	1917	1916	1915
October . . . . .	\$908,231,000	\$904,350,000	\$719,785,000
September . . . . .	873,168,000	827,758,000	543,459,000
August . . . . .	817,965,000	640,400,000	483,844,000
July . . . . .	905,527,000	662,427,000	493,471,000
2d Quar. . . . .	902,921,000	762,943,000	495,973,000
1st Quar. . . . .	827,235,000	698,970,000	460,832,000

**STATEMENT OF THE BANK OF FRANCE.**

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

Notes in circulation, increase, 72,227,000 francs; treasury deposits, increase, 10,347,000 francs; general deposits, increase, 37,841,000 francs; bills discounted, increase, 14,233,000 francs; advances, increase, 10,052,000 francs; gold in hand, increase, 1,794,000 francs; silver in hand, decrease, 2,078,000 francs.

**SOLDIERS' INSURANCE.**


The bill has been signed by the President, and the Treasury Department has already issued its first sample insurance contract.

The specimen contract is based on the age of 25 years and is for \$5,000. The premium for such a contract will be \$3.30 a month. The insurance will be payable in installments of \$28.75 a month in case of death or disability. For a minimum policy of \$1,000, the monthly installment, not, be it understood, the premium, will be \$5.75; for the maximum policy of \$10,000, the monthly installment will be \$57.50.

**BANK OF MONTREAL.**

The Bank of Montreal announce that a sub-agency to their Montreal Branch was opened on the 15th inst. at the corner of Sherbrooke street and St. Lawrence Boulevard, to be known as Sherbrooke Street Branch, under the management of C. J. E. L. Benedict.

ESTABLISHED 1832

Paid-Up Capital <b>\$6,500,000</b>		Reserve Fund <b>\$12,000,000</b>
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**TOTAL ASSETS OVER \$110,000,000**

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

**THE BANK OF NOVA SCOTIA**

**The Canadian Bank of Commerce**

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

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

Capital Paid Up, **\$15,000,000**  
Reserve Fund, **\$13,500,000**

**SAVINGS BANK BUSINESS**

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

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



∴ THE ∴  
**Molsons Bank**

Incorporated by Act of Parliament 1855.

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

Head Office - Montreal

Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the World, offering its clients every facility for promptly transacting business in every quarter of the Globe.

Edward C. Pratt, General Manager

THE  
**Royal Bank of Canada**  
Incorporated 1869

Capital Authorized - \$25,000,000  
Capital Paid up - \$12,911,700  
Reserve Funds - \$14,324,000  
Total Assets - \$300,000,000

HEAD OFFICE: MONTREAL

SIP HERBERT S. HOLT, President  
E. L. PEASE, Vice-President and Managing Director  
C. E. NEILL, General Manager

365 Branches in CANADA and NEWFOUNDLAND; 53 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA and BRITISH WEST INDIES.

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

SAVINGS DEPARTMENTS at all Branches

THE  
**Dominion Savings  
AND  
Investment Society**

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

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

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

THE  
**Home Bank of Canada**



Original  
Charter  
1854.

Branches and Connections  
Throughout Canada.

Montreal, Offices:  
Transportation Bldg. St.  
James Street.

Hochelaga Branch:  
Cor. Davidson and Ontario  
Streets.

Verdun Branch:  
1318 Wellington Street.

Head Office and Nine  
Branches in Toronto.

### India and Silver Shortage

The rise in the price of silver and its causes and effects are discussed in a recent issue of the Manchester "Guardian," which says:

"The steady advance in the price of silver in London, the world's market, is causing no little apprehension, and most nations are wondering where further supplies are to come from even at the present enhanced price.

"The primary reason for the rise in price is, of course, the heavy demand, and the demand itself arises out of causes almost entirely due to the war. The absorption of the metal for currency purposes is now on an unprecedented scale; most of the belligerent countries and some others are minting large and increasing amounts of silver; France, Italy, Russia and the United Kingdom all are indenting heavily upon the world's output for their subsidiary coinage, and on the top of this neutral nations are accumulating supplies; the United States is conserving its stocks; India is importing enormous amounts, and now China is making up for lost time by endeavoring to replenish her stocks.

#### RETENTION BY AMERICANS.

"The world's production of silver up to about a year ago averaged 180,000,000 ounces per annum, and it was confidently expected that with the enhanced demand further avenues of supply would be opened; but, curiously enough, with a higher price supplies have not reached a higher level. In 1916 the total production of silver was some 51½ million ounces less than in 1913, and the surplus American stocks, which formerly all came to England in regular weekly shipments, are not now being received in London in the quantity anticipated; the Americans are apparently retaining more for home consumption, and the balance is being shipped to the East.

"In the early days of the rise in price no alarm was felt, but in proportion to the growing demand operators began to get uneasy. Search was made, and silver was tempted out from many unexpected directions; heavyweight pesos lying stored in the Philippines were purchased and cast into the melting pot; the Chinese were allured by the high prices ruling, and parted with much of their accumulation of sycee silver to India and other parts. As a result China, in common with many other countries, is now suffering from a shortage of the metal.

#### THE SITUATION IN INDIA.

"The Indian rupee shortage itself may be said to be due to two causes: First, large quantities of rupees have left the country in connection with the Mesopotamia operations; Indians have taken the coins with them to Egypt, and quite a considerable portion has also drifted out to East Africa. Secondly, the balance of trade, usually favorable to India, has become much more so with the progress of the war, and the call for rupees to finance exports is enormous. The minting of silver in England, too, has risen rapidly since the outbreak of hostilities; in 1916 we created a record by coining silver to the value of £8,378,465, but it is estimated that we have already passed that record in 1917.

"In the circumstances silver may be said to be approaching a scarcity value; and it is doubtful whether anything like the top price has been reached. To say the least of it, this is serious. India, faced with a rupee shortage, has been experiencing difficulties with her exchange position, which but for careful handling might have had sad consequences; as it is we now find the Indian Government has bowed to the inevitable and raised the price for Council remittances to 1s. 5 d. for immediate telegraphic transfers and 1s. 4 29-32d for deferred telegraphic transfers and bills. From this it is apparent that merchants purchasing Indian goods will have to pay more in terms of gold for their Council remittances. It follows, too, that if silver continues to rise and the hand of the Government is forced so that they have again and again to raise the rate for Councils, the high price of these remittances must in time make the buying of Indian goods unprofitable, and as this will, pro tanto, check the export trade of India the demand for rupees might also be correspondingly checked, and, provided the Secretary of State's remittances do not fall in price also, the position might be eased.

#### CONDITIONS IN CHINA.

"The consequences of the appreciation in the value of silver with China are rather different. China being on a silver standard, her exchange rises and falls more or less automatically with every movement in the price of silver; the same principle holds good with Hong Kong. The effect of the high exchange is to encourage imports and to discourage exports, but with any long continued rise like that now experienced the tendency is for the level of prices to adjust itself

### BRITISH BANK MERGER.

The London County and Westminster Bank is absorbing the Ulster Bank, without announcement and follows the London City and Midland's recent acquisition of Irish concerns through the Belfast Banking Company.

The Ulster Bank's capital follows: Subscribed, £3,000,000; paid, £500,000; deposits of about £12,000,000.

With the reassembling of Parliament on Tuesday, expectations are that there will soon be another vote of credit authorizing war expenditure. The total amount so far voted for the war approximates £5,292,000, of which £1,500,000 have been voted this year.

### NATIONAL DEBT AND WEALTH OF ALL BELLIGERENTS.

	Estimated Nat'l wealth.	Present Nat'l debt.	Per cent.
Great Britain . . . . .	\$90,000,000,000	\$24,000,000,000	26.6
France . . . . .	65,000,000,000	20,000,000,000	30.7
Russia . . . . .	40,000,000,000	13,000,000,000	32.5
Italy . . . . .	20,000,000,000	5,000,000,000	25.0
Germany . . . . .	30,000,000,000	26,000,000,000	32.5
Austria-Hungary . . . . .	25,000,000,000	15,000,000,000	60.0
United States . . . . .	250,000,000,000	8,745,357,250	3.5

to the new conditions. For those who have had funds in the East for any number of years it is a golden opportunity to secure the advantage in exchange and remit home at the present highly profitable rates.

"In the present circumstances it remains to be seen whether supplies will be forthcoming from other quarters; Hong Kong, India, Siam and one or two other countries have prohibited the export of silver, but there is little doubt that stocks are held nearer home. Spain has been suggested as one likely quarter. On August 11 the Bank of Spain held of silver £29,566,000, but whether she can release any of it is another matter, as the bank is bound to keep a metallic reserve of three thousand million pesetas, and the proportion of these reserves to notes in circulation must be 50 per cent — two-thirds in gold, the remainder in silver.

"Finally, there is America. A large amount of silver dollars were coined by the States under the notorious Bland Bill of 1878; as the outcome of that piece of legislation the United States Treasury was obliged to purchase from two to four million dollars' worth of silver per month and to coin it in dollars, 412½ grains in weight, nine-tenths fine. Few found their way into circulation, and it is assumed they were stored in the American Treasury. Another bill, known as the Sherman act, was passed in July, 1890, under which the Government was obliged to purchase 4,500,000 ounces of silver monthly, but in this case the silver was not coined, it was simply stored away. The bill was repealed in 1893.

"It would appear, therefore, that the United States Treasury must hold in its vaults a large amount of silver in dollars and bullion, and possibly some of this metal may eventually find its way on to the market."

### LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably, but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

### THE MUTUAL LIFE ASSURANCE Company of Canada

WATERLOO ONTARIO  
E. P. CLEMENT, K.C., President. GEORGE WEGENAST, Managing Director.



## THE DOMINION BANK

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

C. A. BOGERT, General Manager

The London, England, Branch

of  
THE DOMINION BANK

at  
73 CORNHILL, E.C.

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

### GERMAN INDUSTRIALISM SAID TO BE GAINING GROUND.

"There has been abundant evidence of late of the rapidly increasing strength of German industrialism," says the London "Times." "The final capture of the Berlin 'Lokalanzeiger' was one striking success for the industrial junkers; the overthrow of General Groener, owing to his regard for the interests of labor, was another; and now the industrialists are reviving old schemes to complete their hold upon the chairs of political economy in the German universities.

"In an interesting article the 'Berliner Tageblatt' reviews the various attempts, not all of them unsuccessful, to control the teaching at Leipzig and elsewhere, and says that great efforts are now being made to storm the University of Munich. Professor Brentano, who before the war was well advertised in England, because he was the only distinguished German Free Trader, and who has really been the most vigorous professorial enemy of the agrarians on the one hand and the industrialists on the other, and a powerful supporter of trade unionism, has now retired. The 'Berliner Tageblatt' says:

"All the special interests at once set out to prevent any men of the same opinions from becoming Brentano's successor. It is said in Munich that their representations have made an impression in a very authoritative quarter, although not all hope has disappeared that the danger will be averted. If this hope proved vain the special interests would achieve for nothing in Munich what they have already achieved in part in Berlin. What a series of triumphs for industry!

"First they obtained certain measures which were to supply them with cheap labor from Dresden, although these measures had in part to be reversed, owing to the excitement which they caused. Then they got rid of General Groener, whose efficiency was recognized in all quarters. And now comes their long desired subjection of the universities. Thus, in the words of Mommsen, 'the axe would be laid at the root of the mighty tree under whose protecting shadow we live and whose fruits rejoice the world.' The mass of the German people, and especially the German working classes, would be repaid for their heroic sacrifices in Germany's fight for existence by the fact that in future only those teachers would be allowed to speak who have not the courage to stand up for labor."

"Professor Riesser, the president of the Hansa League and authority on German banking, has just made a characteristic speech on the economic out-

### HUNTING IN THE HIGHLANDS.

Probably the best hunting districts in America are located in the Highlands of Ontario, and that section of the Province recently opened up by the new Transcontinental Railway stretching for a distance of 750 miles from the Western boundary of Quebec to the Manitoba boundary. This immense virgin area offers unlimited opportunities to the hunter for moose and deer. The open season for the Highlands of Ontario district is from November 1st to November 15th, both days inclusive, with an extension to November 30th, in some of the Northern districts including Timagami. The open season in the new area North of the Transcontinental is from October 10th to November 30th. Ask any agent of the Grand Trunk Railway System for full particulars. A synopsis of the game laws is concerned with "Playgrounds", sent free on application.

look after the war. Professor Riesser, like most of his kind, takes it for granted that the Allies will be compelled to remove all the restrictions now imposed upon Germany, and to watch her flourish while they themselves carry the burdens of the war. He said:

"I assure you that there is no reason for any sort of depression. Our financial and economic situation is thoroughly satisfactory. We need have no fear for the future. After the war we shall find ways to get rid of our debt, when the weather is again clear, oversea traffic is again open and our anxieties have again been reduced. If we have been able to climb mountains during the war, we shall easily be able to climb hills in time of peace."

"Do not forget the financial and economic condition of our enemies. Lloyd George has the habit of always talking most confidently when he has just had strong evidence that the English trees are not growing into the sky. In France the lack of discipline is now beginning, which, in the Russian army, seems to be breaking all bonds. In the occupied districts of North France we have almost 40 per cent of French industry in our hands. Italy will for generations be overburdened by her war debts, and her treachery to her allies will revenge itself on the unhappy country. Instead of the hymns, flowers, and garlands which d'Annunzio predicted, unhappiness, care and tears will be the lot of coming generations in Italy. It is impossible to predict Russia's financial future. The one weapon which Russia may have is the possibility of not considering it necessary to go on paying her debts."

"Such is the language of one of the chief representatives of the German Commercial classes."

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

Paid-up Capital, \$4,866,666.

Reserve Fund, \$3,017,333.

Head Office: 5 Gracechurch St., London, E.C. 3

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

H. B. MACKENZIE, General Manager.

Advisory Committee in Montreal:

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

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

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

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

ESTABLISHED 1872  
**BANK OF HAMILTON**

Head Office: HAMILTON

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

Business Founded 1795  
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Incorporated by Act of the Parliament of Canada  
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HEAD OFFICE - TORONTO

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E. C. Green, Manager, 186 St. James Street



### RATES GOVERNMENT WILL PAY FOR REQUISITIONED VESSELS.

**Cargo Boats and Tankers:**  
Over 10,000 tons deadweight capacity, Government form time charter, \$5.75 per deadweight ton; 8,001 to 10,000 tons, \$6; 6,001 to 8,000 tons, \$6.25; 4,001 to 6,000 tons, \$6.50; 3,001 to 4,000 tons, \$6.75; 2,500 to 3,000 tons, \$7.

Vessels of speed in excess of 11 knots to be allowed 50 cents per ton deadweight per month for each knot or part of a knot over 11 knots.

#### Passenger Steamers:

**Class A.**—Capacity more than 150 passengers—10 to 11 knots, Government form time charter, \$9.00 per ton gross register; 12 knots, \$9.50; 13 knots, \$10.00; 14 knots, \$10.50; 15 knots, \$11.00; over 15 knots, \$11.50.

**Class B.**—Capacity, 75 to 150 passengers—10 to 11 knots, Government form time charter, \$8.00 per ton gross register; 12 knots, \$8.50; 13 knots, \$9.00; 14 knots, \$9.50; 15 knots, \$10.00; over 15 knots, \$10.50.

### WOOL CONSUMPTION DECREASES IN UNITED STATES.

Director Gifford, of the Advisory Commission of the U. S. Council of National Defense, stated that reports indicated that the civilian consumption of woollen clothing has decreased about 60 per cent in the United States. The Commercial Economy Board of the Council is trying to prevail upon American manufacturers to adopt substitutes for wool in the manufacture of cloth so as to reduce this still further, it was said.

Mr. Gifford pointed out that the British have reduced the civilian consumption of wool to 30 per cent of peace normal. It is imperative that further economy of wool shall be practiced in the United States if the annual supply is to continue to meet the demands of the country. In order that this work of conservation may go on the American manufacturers are being prevailed upon to increase their use of shoddy and to change their plants over to some revised line to meet the changed conditions that are coming about.

### FACTS ABOUT WOOL.

In order to thoroughly acquaint their salesmen with the wool situation and so spur them with the knowledge that their prices are right, the R. G. Long Co., Toronto, have issued a folder containing the following information.

Since 1900 the United States has lost between 13,000,000 and 15,000,000 sheep, and if their value was turned into wool and mutton it would amount to just \$150,000,000.

The armies now at war are using at the rate of 2,200,000,000 pounds of wool annually.

The total wool supply of the world is only 2,700,000,000 pounds.

More than 3,000,000 sheep in Europe have been killed for meat during the war.

There are no sheep left in Germany worth talking about, very few in Turkey, and in all the Balkan States the sheep have been greatly reduced.

England's wool clip has decreased one-third; France has lost one-third of its sheep stock and the same with Austria, which leaves Russia as the only European country that has not suffered severely, having more sheep than any other country in the world, and transportation between Russia and this side of the water is rather difficult just now.

South American sheep stocks are decreasing rapidly, also South African, while New Zealand is only holding her own as far as sheep stocks are concerned.

There will not be more than thirty million shearing sheep in the United States next spring, giving them 200,000,000 pounds—their needs being 750,000,000 pounds or a shortage of 550,000,000 pounds. Where is it to come from and how about Canada's requirements? There is little likelihood of Great Britain releasing any more wool for the American market.

### U. S. COAL SUPPLY.

U. S. Fuel Administrator H. A. Garfield, who has returned from a tour of inspection of the coal situation in the Middle West States, explained to newspaper men that there is not the least danger of the United States suffering from a scarcity of coal; that there is 10 per cent more coal available for distribution than there was at this time last year, and that the appointment of a representative of the Fuel Administration in each State will allay alarm.

### ITEMS OF KITCHEN ECONOMY.

Much waste is caused by peeling potatoes by hand. A potato-peeling machine means conservation.

Cherry seeds boiled with sugar make fine jelly or flavoring syrup for soda fountains. Fresh pineapple parings can be used in the same way.

Daily inspection of the ice box does much to prevent waste.

Skim milk is a base for cream soups and sauces. Sour milk should be used for hot cakes, hot biscuits, cottage cheese, etc.

Every bit of fat and suet should be rendered out and used. The cracklings should not be thrown away, but soap should be made of them.

Cheaper cuts of meat can be made appetizing by good cookery.

The cafeteria is growing in popularity. It is a partial solution of the help problems, makes a big reduction in the price of service, makes living cheaper. We Americans love luxury and have grown to demand good service, but the average man, the loyal citizen, must do his part now, and it is beneath no man's dignity to wait on himself if circumstances demand it. The plan is being tried out in the navy, and so far has proved satisfactory.—Mid-West Hotel Reporter.

### PRICE FIXING NOT EASY.

(The Iron Age.)

That Government price fixing is all of the herculean task that the trade prophesied is borne out by the fewness of the items covered in the two agreements so far made. As indicated in the Iron Age last week, only semi-finished steel was included in the announcement of October 11. Just when additional maximum figures will be settled on is not clear; but it is likely, now that ratios have been established for conversion differences between raw materials and semi-finished products, and between the latter and finished forms, that further Government prices will be arrived at without requiring general session in Washington between the war industries and the producers.

Whatever the basis of the adverse criticism already developing, the underlying object in the price-fixing seems clear—to secure a condition which will bring out 100 per cent production. A surprisingly low billet price, \$47.50—out of line somewhat, other differences in prices being considered—makes for a wide spread between the steel for further manufacture and the steel as finished product. Clearly less concern is shown for the billet producer, with relatively less margin between pig iron and the billet. On the score of accelerating mill operations may be accepted \$47.50 billets on the one hand and \$58 and \$60 for bars and beams on the other and \$50 for slabs, against \$65 for plates.

The fact that plates are put at \$5 and \$7 per ton higher than bars and beams is also, perhaps, a recognition of the special cases of recent additional mill capacity entailing high capital charges, with similar incentive to encourage slab production at \$2.50 per ton more than billets.

On high authority it is intimated that the industry is expected to adjust itself to the new base prices, particularly in the matter of adopting usual trade practices without specific announcement in this regard. It is not clear, however, that producers are expected to take any initiative in revising prices of major commodities not yet covered.

Before the end of the week the base for wire will probably be fixed. A figure a little above the mean between the quotation of the largest maker and the higher one of others would harmonize with the rest of the new prices. The spectacle of raising the price acceptable to the one vanishes when it is recalled that it has long been made on much deferred deliveries. Old material, as well as sheets and tubular goods, are also shortly to be settled. As yet, steel rails have been given little attention. Chicago as a basing point bids fair to stay. Tin-plate, which involves the cost of the imported covering material, will probably be considered, as desired by producers, by the food administration board.

Outside of Government orders, business has been light. Sales of steel have been made at both the fixed prices and higher, the latter, like 1,000 tons of billets at \$50, representing largely the closing of options made before the price announcements. The signs are that before long sales will be sufficiently numerous to establish a public market at the agreed figures.—The Iron Age.

### CANADA'S MILK SUPPLY.

W. J. Black, commissioner of agriculture, Ottawa, and a member of the central advisory council appointed to assist the food controller, has just returned from a trip through the western provinces, where he interviewed the heads of the respective departments of agriculture.

Speaking of the milk supply, Mr. Black stated that the number of cattle of all kinds in Canada to-day was about six millions, and of these 2,600,000 were of the dairy breed. The average weight of milk given by one cow in a year was 4,000 pounds, and if by the selective breeding and improved methods of feeding the average yield could be increased by 1,000 pounds per cow per year, it would mean an increase in revenue of \$15,000,000 per year. During his trip to British Columbia he had been shown a Holstein cow which in a few days over 10 months had yielded the enormous total of 28,100 pounds of milk. Careful record was being kept, and it was expected that the animal would have produced about 33,000 pounds of milk in the year, which would constitute a world's record. The cow was the property of the British Columbia government.

### THE "MARKETERIA".

The quest of Philadelphia economists to find methods for cutting down food prices has called attention to the "Marketeria" and a pioneer establishment of that type in Lockport, N. Y., is being studied as a model. As the scheme was described in a recent issue of the "Grocery World," the "Marketeria" is operated as follows: "A customer enters the store through a turnstile, the purpose of which is merely to register the number of persons who enter the store each day. Here the customer helps herself to a tray which looks very much like a long pan with two handles on it, or, if she prefers, a regulation market basket. There is no charge for this pan, which is simply a convenience for gathering up the items the housewife selects. If on the other hand she wishes to use a basket in which to carry her goods home, she is charged four cents for it, which amount she receives on returning it.

"Shelves are indexed alphabetically beginning with 'A' as one enters the store, and on these shelves one finds the commodities beginning with the particular initial letter, for instance, under 'A' there are ammonia, asparagus, apricots, etc. A low partition divides the store. A customer walks down one side and up the other, selecting the goods she desires as she goes.

When she has finished with the letters 'X Y Z' she finds herself at the cashier's desk, where she takes her purchases out of the pan or basket and the cashier checks the items and collects the amount.

"If the customer has been using a pan on which to collect the groceries she proceeds to the front of the store, where a large shelf is placed for the accommodation of those desiring to wrap their packages, paper and string being provided for this purpose. When this has been done the customer returns the pan to the cashier's desk; if a basket is used she does not bother with the wrapping, but merely takes her purchases home.

"Every article in the store is plainly marked with the price at which it is sold. It is remarkable to observe how quickly a customer can wait on herself. The management also operate a marketeria at Medina, N. Y., and both of these stores have been successful from the start. It is necessary in this kind of a grocery store to carry standard and nationally advertised articles so that customers on their journey through the store will not have to ask any questions.

"In each one of these stores one of the owners is in charge and in addition to the cashier has a clerk to assist. The proprietor and the clerk do nothing but fill up the shelves to get things ready for the selling hours. On busy days, like Saturday, the proprietor and clerk simply watch the crowd and see that everybody takes care of him or herself."

Mike was home wounded from the front, and he was stopped by a friend one day as he was hobbling down the street on his newly-acquired crutches.

"And how did you get on in the big battle?" asked the friend, gazing with compassion on the gallant soldier's useless limb.

"Sure, Oi had the toime of me loife," replied Mike, decidedly.

"But you got very badly knocked about," retorted the other.

"Yes, Oi know that," cried Mike, enthusiastically; "but, begorra, it was the first fight I was ever in that the police didn't stop."—Tit-Bits



**TERMS FOR BRITISH WAR BONDS ISSUED.**

**New Financing Details Announced by Bank of England.**

London, October 1, 1917.

Terms of the new issue of national war bonds are given in a circular issued by the Bank of England, which describes the offering as "£5 per cent bonds, repayable October 1, 1922, at 102 per cent; £5 per cent bonds, payable October 1, 1924, at 103 per cent, £5 bonds repayable October 1, 1927, at 105 per cent, and £4 bonds, repayable October 1, 1927, at 100 per cent. Interest payable half-yearly on April 1 and October 1; first dividend payable April 1, 1918. Price of issue £100 per cent, payable on application." The circular goes on to state:

"The Governor and Company of the Bank of England are authorized by the Lords Commissioners of his Majesty's Treasury to receive on October 2, 1917, and thereafter until further notice, applications for the above bonds.

"The principal and interest of the bonds are chargeable on the Consolidated Fund of the United Kingdom.

"Bonds of this issue, and the interest payable from time to time in respect thereof, will be exempt from all British taxation, present or future, if it is shown in the manner directed by the Treasury that they are in the beneficial ownership of a person who is neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Ireland.

"Further, the interest payable from time to time in respect of £5 per cent bonds of this issue will be exempt from British income tax, present or future, if it is shown in the manner directed by the Treasury that the bonds are in the beneficial ownership of a person who is not ordinarily resident of the United Kingdom of Great Britain and Ireland, without regard to the question of domicile. Where such a bond is in the beneficial ownership of a person entitled to exemption under these provisions, the relative coupons will be paid without deduction for income tax or other taxes, if accompanied by a declaration of ownership in such form as may be required by the Treasury.

"Interest on the £4 per cent bonds will be exempt from liability to assessment to British income tax other than super-tax. For the purposes of super-tax and in computing total income for the purposes of exemption, abatement, reduced rate of income tax on earned or unearned income, etc., the income derived from such interest will be treated as if the amount received represented the net income after deduction of income tax at the full normal rate. There will, however, be no title to repayment of income tax in respect of such untaxed interest.

"Bonds of this issue will be accepted at their nominal value, with due allowance for any unpaid interest thereon, by the Commissioners of Inland Revenue in satisfaction of amounts due on account of death duties, excess profits duty, or munitions Exchequer payments; provided, in the case of death duties, that such bonds have formed part of the estate of the deceased continuously up to the date of death from the date of the original subscription or for a period of not less than six months immediately preceding the date of death, and, in the case of excess profits duty or munitions Exchequer payments, that they have been held continuously by the firm, company, or other person, liable for such duty or payment, since the date of the original subscription or for a period of not less than six months before such duty or payment becomes due and payable.

"Holders of £5 per cent bonds of this issue may convert their holdings within fourteen days after any half-yearly interest date (viz., April 1 and Oct. 1), and as on such interest date, into £5 per cent War Loan, 1929-1947, at the rate of £100 £5 per cent War Loan, 1929-1947, for each £95 nominal value (excluding any redemption premium) of £5 per cent national war bonds surrendered; and holders of £4 per cent bonds of this issue may convert their holdings at the same times, and in like manner, into £4 per cent War Loan, 1929-1942 ('income tax compounded'), at the rate of £100 £4 per cent War Loan, 1929-1942, for each £100 nominal value of £4 per cent national war bonds surrendered.

"The first dividend on a holding of £5 per cent War Loan, 1929-1947, or of £4 per cent War Loan, 1929-1942, issued in lieu of national war bonds converted, will represent interest from the date of conversion to the next succeeding interest date of the loan into which the bonds have been converted.

"In the event of future issues (other than issues

made abroad or issues of Exchequer bonds, Treasury bills, or similar short-dated securities) being made by His Majesty's Government, for the purpose of carrying on the war. Bonds of this issue will be accepted at par as the equivalent of cash for the purpose of subscriptions to such issues, and an allowance will be made for any interest accrued on bonds so accepted.

"The bonds will be issued in denominations of £50, £100, £200, £500, £1,000 and £5,000, and the interest thereon will be payable half-yearly by coupon, the first coupon on each bond representing interest from the date on which application is lodged and payment made for the bond at any office of one of the banks hereafter mentioned.

"Bonds of this issue may be registered free of cost in the books of the Bank of England, or of the Bank of Ireland, as

- "1. Transferable in the bank transfer books, or
- "2. Transferable by deed."

"Allotments may be obtained in registered form or in bonds to bearer at the option of the applicant.

"Holdings of registered bonds, which will be transferable in any sums which are multiples of a penny, may be reconverted at any time, in whole or in part (in multiples of £50), into bonds to bearer with coupons attached.

"Dividends on registered £5 per cent bonds of this issue will be paid without deduction of income tax, but the income derived from such dividends will be assessable to income tax in the hands of the recipients at the rates of tax appropriate to their respective incomes. Dividend warrants will be transmitted by post.

"Conversion of £4 10s per cent war loan, 1925-1945; £5 per cent exchequer bonds, 1920; £5 per cent exchequer bonds, 1919; £5 per cent exchequer bonds, 1921; £6 per cent exchequer bonds, 1920.

"Holders of the above issues, in pursuance of the options granted in the several prospectuses relating thereto, may convert their holdings, in whole or in part, into the following bonds of the present issue, at any time during the continuance of the issue of such bonds, viz.:

"£5 per cent national war bonds, repayable October 1, 1924.

"£5 per cent national war bonds, repayable October 1, 1927, or

"£4 per cent national war bonds, repayable October 1, 1927 (income tax compounded).

"Holders who convert will receive an allotment at the rate of £100 national war bonds for each £100 £4 10s per cent war loan or exchequer bonds converted.

"National war bonds issued in exchange for converted holdings will carry interest from the dates on which the relative requests for conversion have been lodged with the Bank of England. A separate dividend will be paid for interest, if any, accrued to date of conversion on a converted holding. Where a request for conversion of a holding in any issue, whether 'registered' or 'to bearer,' is lodged after the balance of such issue has been struck for the preparation of a dividend and before the date on which the said dividend is due, such conversion will be effected as on the latter date.

"A commission of one-eighth per cent will be allowed to bankers, stockbrokers and financial houses on allotments made in respect of cash applications for this issue bearing their stamp, but no commission will be allowed in respect of applications for conversion."

**JUNE EMBEZZLEMENTS.**

Press notices and dispatches, as collated by the Bonding Department of the Fidelity & Casualty Co. of New York, indicate for the month of June, 1917, the following defalcations:

Banks and Trust Companies	21,200
Beneficial Associations	519
Public Service	18,415
General Business	674,519
Insurance Companies	1,801
Transportation Companies	21,300
Courts and Trusts	226,265
Miscellaneous	226,265

Total ... .. \$964,019

**KANSAS STOCKYARDS FIRE.**

The Kansas City Stockyards fire resulted in death of approximately 11,444 cattle and 3,300 hogs. Loss is placed at about \$750,000. Heavy insurance was carried.

**UNION ASSURANCE SOCIETY LIMITED**  
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Business in Force over	\$59,600,000
Assets over	16,400,000
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TOTAL BENEFITS PAID (Over) ... .. \$53,000,000

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Life Fund, and Special Trust Funds - - - 76,591,535  
Total Annual Income Exceeds - - - - - 51,000,000  
Total Funds Exceed - - - - - 151,500,000  
Total Fire Losses Paid - - - - - 193,774,045  
Deposit with Dominion Government - - - 1,245,467  
(As at 31st December, 1916.)

Head Office, Canadian Branch:  
Commercial Union Bldgs., 232-236 St. James Street,  
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## LIFE INSURANCE AND SOCIAL ECONOMY.

Mr. Haley Fiske, the vice-president of the Metropolitan Company, is one of the best-equipped men in the business life of New York. He has brought to the special and technical problems of insurance a peculiar quality of mind which can co-ordinate these special problems to the wider interests of the community at large. He measures up to the standard of greatness in any vocation or calling; the standard which measures a man's ability by his power to transcend the limitations of his professional interests. Professional thoroughness, vocational expertness, are desirable and indispensable qualities, but they are not enough if a man is to exercise any shaping influence on the public thought and action of his day.

Mr. Fiske is one of those men whose many-sidedness and forward-looking vision give them a voice and an authority in the social questions of the day. Speaking on "Life Insurance as a Basis for Social Economy," Mr. Fiske says:

"Very few recognize how intimately life insurance enters into the domestic life of the people, nor the extent to which it has developed and built up the country and now sustains the machinery of civilized life.

"Consider first how widespread in the commonwealth is the insurance of lives. At the end of 1916 there were 43,133,415 policies in force in the United States and Canada, as compared with a population of, say 110,000,000. We estimate that these forty-three millions of policies were upon twenty-five to thirty millions of lives and therefore that about a quarter of the population is insured. These are the figures of 244 regular reserve companies. The insurance in force was \$23,756,472,828. To realize the significance of these figures, consider, next, what life insurance is. Fundamentally, it is the association of numbers of people who realize that while nothing is more certain than death, nothing is more uncertain for each healthy individual than the date of death; that death is a pecuniary loss to the dependents; that there is a necessity to tide over a period during which new adjustments can be made in the lives of the survivors; that for this period assistance is needed. The contributions of these numbers of people go into a fund out of which this help is furnished. We have a right, after all these years and the tremendous extent of life insurance, to say that the system is the result of conscious mutual helpfulness. It is a social institution. The family which draws a death benefit after a single premium is not drawing charity. The obligation of the holder of the policy was undertaken in good faith with the view of helping others, and the help from others arising from the unexpected death is the mere fulfilment of an obligation which was reciprocal.

"Life insurance is therefore a brotherhood whose operations are intensely practical. American life insurance companies distributed during 1915, \$580,121,669 in the payment of death claims and matured endowments — over one-half of the national debt. Think of the excitement the Government would arouse if it undertook to pay its debt in a single year! Think of the taxation necessary to enable the Government to do such a thing! Yet the distribution by life companies of over half a billion of dollars in a year causes no comment. It enters into the common life of the people, affecting enormous numbers of them. We may take it that this money went to the families of nearly a million persons, and therefore affected four or five millions of individuals. And this is an annual experience. Multiply it by ten years, and consider what a common daily experience is the knowledge by our people of the results of this system of association for mutual help.

"Take the five and a half billions of assets. It is probable that thirty per cent of these are invested in railway securities; that is, over one and a half billions of dollars are in the real and personal property of railways. The first thought about this is that the insurance business has been the most important single instrumentality in developing the country; that millions of acres of land have been thrown open to cultivation; that has brought in population for agricultural work; that these must be housed, fed and clothed; the crops must be shipped away; then we see towns grow about the stations to forward the freight and to sell the food and clothing to the farmers' families, and the railway men. Mills follow to bring manufactured articles nearer to the consumers. Thus gradually cities grow up, all business increases, more money circulates.

"Perhaps one gets a clearer conception of the economic service of life insurance when he studies the business of industrial life insurance. Three-quarters

## "A Little Nonsense Now and Then"

"Well, did you get any orders to-day?" asked the book agent's wife. "Yes," replied the book agent. "I got two orders in one place. One was to get out and the other was to stay out."

Apropos of high prices, Cassell's Saturday Journal (London) has this: Scene in restaurant. John, glancing over bill of fare—Lookee, Betsy, what be the price of eggs they come by honest, if this be the price of poached eggs?

Corporal—Ye're takin' things cool, McCarthy. D'y, think ye're at a shr-rawberry festival?

McCarthy (smoking pipe during tremendous bombardment—No, but Oi had me fortune tould yist'r'd'y an' Oi've been promised seven years bad luck!—Judge.

Dr. Addison, minister of reconstruction, when heckled, has the happiest knack of skilfully parrying an inconvenient question. At one of his meetings, for instance, he was asked by a lady in the audience whether he was in favor of the repeal of the blasphemy laws.

"Madam, I'm a golfer," was Dr. Addison's diplomatic reply.

A Jersey man of a benevolent turn of mind encountered a small boy in his neighborhood, who gave evidence of having emerged but lately from a severe battle.

"I am sorry," said the man, "to see that you have a black eye, Sammy."

Whereupon Sammy retorted: "You go home and be sorry for your own little boy—he's got two."—Everybody's Magazine.

## SAVIN' FOOD WITH HANNER.

Maw's signed the conservation card,  
It's hung up in our winder—  
Paw says he'd put it in the stove  
An' burn it to a cinder;  
But maw says there it's goin' to stay,  
It's sacred as our banner.  
An' all us kids must "do our bit"  
An' help save food with Hanner.

Oud dog's so thin he's got to lean  
Agin the fence to bark,  
Our cat has joined the midnight crew  
An' hunts while it is dark,  
Our cow is on skimp rations, put,  
Her skin would shock a tanner;  
The whole caboodle on our lot  
Are savin' food with Hanner.

Maw served us grub the other day—  
She called it squeak and bubble,  
The way paw glared an' fussed about,  
It looked like there'd be trouble;  
But maw just pointed to the card,  
Then in her kindest manner  
Said: "It's up to each one of us  
To help save food with Hanner."

Maw's out to lick old Kaiser Bill,  
You bet your hat that's true;  
An, when she gets an idear,  
Well, maw will see it through.  
She's kind an' good, but if she could  
She'd hit Bill, with a hammer—  
She can't, an' so with all her brood  
She's savin' food with Hanner.

A. C. Wood, in The Toronto Globe.  
St. Mary's, Ont.

of all the policies in force are industrial — thirty-two million out of forty-three. When one thinks of the service performed, the number of individuals affected is perhaps more important than the amount. Is it not a startling fact that one out of every five of the population of the United States and Canada holds an industrial life insurance policy and weekly pays his premium to a collector? Can any one institution be said to be as close to the people as that? When you consider that in Philadelphia and some other cities there are more industrial life insurance policies in force than the number of the population, you begin to get an inkling of how close to the life of the people life insurance is."—Insurance Times.



# LUMBER, PULP AND PAPER

## A MAHOGANY BRIDGE.

In the state of Chiapas, Mexico, there is a bridge which spans the Rio Michol, measures 150 feet long by 15 feet wide and is built of solid mahogany.

## THE INTRODUCTION OF MATCHES.

The new regulations in the United Kingdom as to matches have drawn from one writer in the Manchester Guardian a delightful reminiscence, handed down by a relative, of how the match first came to an English village, nearly a hundred years ago. He tells of how the village parson, desiring to keep in touch with the great world, went up to London every year by coach. As the result of one trip he brought back a box of matches. One, and one only, was struck on the evening of his return to show his own household the wonder. Next day invitations were dispatched to the elite of the parish to drink tea at the parsonage on a certain date. It was carefully timed so that just at the right moment the candles would have to be lighted, and, of course, the matches were used. The excitement of the guests passed all expectation. The village, next day, was all agog at the news, and, in order to satisfy the curiosity of the parishioners, a series of parties had to be given so that nobody with the least social pretensions should be left out.

## CREOSOTED WOOD AND FIRE HAZARD.

The National Fire Association in its news letter of Oct. 1 asked for experience of members regarding the comparative fire hazard of wood treated with creosote and ordinary untreated wood, used for the same purpose in similar locations.

Inasmuch as creosote is in itself a fuel, having an appreciable quantity of heat in it, creosoted wood will undoubtedly burn with a fiercer blaze than untreated wood. It, however, has often been claimed that wood treated with creosote, after the creosote has sunk into the structure of the wood, can be less easily ignited upon the surface than can untreated material. It would be interesting to have some practical tests made and reported along this line.

## PULP AND PAPER INDUSTRY.

Into the newsprint inquiry at Ottawa last week a somewhat new element was introduced — consideration of the good of the industry as a whole. This phase of the situation has been overlooked during the excited talk of high prices, profits and price fixing. Recent Ottawa dispatches have indicated that in view of the fact that the price to be fixed as a fair figure for newsprint made in Canada will likely prevail in the United States, the investigating commissioner will thoroughly probe the subject of costs. It was stated by counsel for the government, following the inquiry last week, that the price determined would be at least \$60 per ton and perhaps more. If the price fixed is too low it will mean a crippling of the newsprint industry in Canada, because the same price will probably be adopted in the United States and it is upon the high prices now being obtained in that country that the Canadian mills are making money. Their losses on supplying newsprint in Canada at \$50, it is stated, are more than covered by their profits in the United States.

The Canadian pulp and paper industry is worthy of encouragement. The exports of Canadian newsprint for the fiscal year ended March, 1917, were \$23,594,134 compared with \$17,974,134 for the previous period, which was in turn increased by nearly \$2,000,000 over the 1915 fiscal year. Our exports of chemical pulp have increased in the last two years from \$4,806,622 to \$14,032,133 while the exports of mechanical pulp have increased in the same period from \$4,459,539 to \$6,371,133. The newsprint enquiry has only an indirect bearing on the latter phase of the pulp and paper industry but the total exports amount to a handsome sum, approximately \$45,000,000. Within five years the total exports should amount to at least \$100,000,000 in the opinion of students of the situation. While exorbitant profits must be curtailed, it is not necessary to discourage production, the extension of our export trade, and the investment of capital, while performing what should be a comparatively simple operation, the fair regulation of profits. — Monetary Times.

## START A SILO CAMPAIGN.

We should have hundreds more of silos this year, urges the bulletin of the National City Bank of New York. You bet we should. Bankers can be of great assistance in increasing the number of silos in their communities. From time to time The Banker-Farmer has told the stories of banker-farmer co-operation to secure silos. If your community needs silos, advertise that you will furnish the funds to build a certain number. Some banks have loaned money without interest for this purpose, but that isn't necessary or desirable in some instances. A low rate of interest as an incentive may help to bring some farmers to build silos — and their example will be valuable. Write to your state college of agriculture for information on the kind of silos that should be constructed.

## CANADA'S FIRST MODEL TOWN.

Canada's first model town will be built on the Upper Ottawa. A splendid site overlooking lake Timiskaming has been laid out according to modern principles of town planning by the Commission of Conservation, through its Town-planning Adviser, Mr. Thomas Adams, who has acted as consulting engineer. Building operations will be started shortly by the Rioron Pulp and Paper Co., who are to erect a large sulphite mill and paper plant nearby and for the accommodation of whose employees the town is intended.

A contour map showing the levels of the site was first prepared and the streets were then laid out so as to secure easy grades, directness of route, and absence of sudden deflections. If the usual method of rectangular survey had been adopted, the most important streets would have had grades of from 10 to 18 per cent, but, under the plan, the maximum grades have been reduced to 3 and 5 per cent in most cases, with a maximum of 8 for short lengths.

Before any buildings have been erected the line of each street has been blazed through the forest so as to fix the best street locations and to secure the best aspects for the dwellings. Areas are being set aside for open spaces, social centres, churches, schools, etc., in advance. The main approach to the town will be by a street, 80 feet wide, passing through a square on which the stores and public buildings will be erected.

It is proposed to make the town a model of its kind, as it is recognized by the promoters that healthy and agreeable housing and social conditions are of vital importance in securing efficiency of the workers, and that large employers of labour have a direct responsibility in providing proper living conditions for their workers.

## BRITISH TRADE.

The Board of Trade returns for August show that the adverse balance of trade, allowing for re-exports, but leaving out the movements of gold and silver, was for the month £56,230,000, against £20,633,000 in August, 1916, and for the eight months £284,680,000, against £221,004,000 in 1916.

The declared value of imports for the month was £100,567,416, being an increase of £24,475,977 over 1916, and of £31,166,497 over 1915.

The value of the British and Irish exports for the month was £49,803,715, being an increase of £2,083,392 over 1916 and of £17,364,860 over 1915. Of foreign and colonial merchandise re-exported the value was £4,535,742, against £7,738,486 in 1916 and £7,323,749 in 1915.

From July the value of all Government owned imports is included in the returns whereas before then only certain of them were brought to account. There is no means of ascertaining the value of these goods, but it is fairly certain from an examination of the figures that the growth is not wholly due to this cause. Higher prices have much to do with it. The value of corn and grain imported has nearly doubled, but it is doubtful if, with restricted carrying powers, the quantity is twice as much. Exports also now include all Government goods, except those shipped for use of forces on active service.

## WAR PREPARATIONS.

One of the most marvelous things about this war is in the preparations that have been made for it, not alone by Germany, but by the whole world, and, as most people will say, by a higher power.

It was most providential that the United States did not come into the war at the beginning. It was thus able to provide powder, shells and big guns as well as vast quantities of beef and wheat for the allies. It was also able to start the building of 15,000,000 rifles, contracts for a large part of which will be completed by the United States. We were also able to absorb several billions of securities from Europe.

But probably the most remarkable and far-distant preparation for the war may be found in the great spruce forests on the Pacific coast. Trees there are now being cut to furnish wood for aeroplanes of the United States and the allies, many of which trees were old when Caesar chased the Germans out of France across the Rhine and noted the bravery of the Belgians. Here are wings of victory for the allies which had their beginning a thousand years before the birth of Christ and may be figured to antedate the civilization of Greece and Rome!

The United States and the allies need 15,000,000 feet of this wood monthly and mills are being specially built to provide it. Spruce is the lightest, toughest and most elastic of all timber suitable for airships and it is claimed that this spruce gives an aeroplane 10 per cent superiority in flying. Only about 15 per cent of the log can be used in aeroplane work so that fully a billion feet of logs must be cut annually to secure the best wings. The rest of the log can be used for pulp and timber.

These trees are so old — many of them more than 3000 years — that all the lower knots were long since bedded well back in the trunk. — Boston News Bureau.

## EIGHTEEN NATIONS NOW AT WAR WITH GERMANY OR HER ALLIES.

At war with Germany or her allies: Serbia, Russia, France, Great Britain, Montenegro, Japan, Belgium, Italy, San Marino, Portugal, Roumania, Greece, Cuba, Panama, Siam, Liberia, China, and United States.

Diplomatic relations broken with Germany: Brazil, Bolivia, Haiti, Honduras, and Nicaragua.

Declarations of war made:

Austria v. Belgium, August 28, 1914.  
Austria v. Montenegro, August 9, 1914.  
Austria v. Russia, August 6, 1914.  
Austria v. Serbia, July 28, 1914.  
Bulgaria v. Serbia, October 14, 1915.  
China v. Austria, August 14, 1917.  
China v. Germany, August 14, 1917.  
Cuba v. Germany, April 7, 1917.  
France v. Austria, August 12, 1914.  
France v. Bulgaria, October 18, 1915.  
France v. Germany, August 3, 1914.  
Germany v. Portugal, March 9, 1916.  
Germany v. Russia, August 1, 1914.  
Great Britain v. Bulgaria, October 16, 1915.  
Great Britain v. Austria, October 12, 1914.  
Great Britain v. Germany, August 5, 1914.  
Great Britain v. Turkey, November 5, 1914.  
Greece (provisional government) v. Bulgaria, November 28, 1916.  
Greece (provisional government) v. Germany, November 28, 1916.  
Greece v. Bulgaria, July 2, 1917.  
Greece v. Germany, July 2, 1917.  
Italy v. Austria, August 21, 1915.  
Italy v. Bulgaria, October 19, 1914.  
Italy v. Germany, August 28, 1916.  
Japan v. Germany, August 23, 1914.  
Liberia v. Germany, August 4, 1917.  
Montenegro v. Austria, August 10, 1914.  
Panama v. Germany, April 7, 1917.  
Roumania v. Austria, August 27, 1916.  
Serbia v. Turkey, December 2, 1914.  
Siam v. Austria, July 21, 1917.  
Siam v. Germany, July 21, 1917.  
Turkey v. Allies, November 23, 1914.  
Turkey v. Roumania, August 29, 1916.  
United States v. Germany, April 6, 1917.



## News of the Week

TUESDAY, OCT. 16.

Heavy Austrian attacks on the Julian front were repulsed by the Italians.

Russian forces are unable to interfere with the activities of the German forces that overrun Oesel Island in the Gulf of Riga. The Germans have pressed on to Arensburg, the capital, and the retreating Russians are making for Moon Island.

British raids on a large scale have been taking place southeast of Monchy-le-Preux and northeast of Roeux, and have resulted in the capture of a number of prisoners, two machine guns, and the killing of over two hundred of the enemy, and the destruction of many of his dugouts.

German artillery activity on the Aisne and Verdun fronts is thought to indicate renewed attempts by the Germans in these sectors to try to get back the Chemin-des-Dames positions, and to make still another endeavor for the recovery of the ground they have lost around Verdun.

Britain continues to pay the price of keeping ships at sea. It is announced that the armored mercantile cruiser Champagne has been sunk, and that a mine-sweeping sloop is so long overdue that she has been given up as lost.

An Italian steamer with Greek officials was torpedoed and sunk.

The new agreement between Great Britain and Holland was made public.

Mata-Hari, the Dutch dancer, was executed in France for espionage.

The Naval Department is considering paying the transportation charges on Atlantic fish to the central Provinces.

Canada is to have as a special Envoy at Washing-



A SESSION OF THE COURT OF KING'S BENCH (Crown side) holding criminal jurisdiction in and for the DISTRICT OF MONTREAL, will be held in the COURT HOUSE, in the CITY OF MONTREAL, on FRIDAY, the SECOND DAY of NOVEMBER NEXT, at TEN o'clock in the forenoon.

In consequence, I give PUBLIC NOTICE to all who intend to proceed against any prisoners now in the Common Gaol of the said District, and all others, that they must be present then and there, and I also give notice to all Justices of the Peace, Coroners and Peace Officers, in and for the said District, that they must be present then and there, with their Record, Rolls, Indictments, and other Documents, in order to do those things which belong to them in their respective capacities.

L. J. LEMIEUX,  
Sheriff.

Sheriff's Office,  
Montreal, 10th October, 1917.

## PROFESSIONAL

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

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ton a High Commissioner, and Hon. J. D. Hazen, it is reported, is to be the choice.

WEDNESDAY, OCT. 17.

German forces operating in the Gulf of Riga are extending the area of their conquests.

On the British front activity is confined to raiding operations especially around Bullecourt.

On the Aisne and in the vicinity of Verdun the infantry has been engaged in fighting. In both sectors the French were successful.

The trial of four German plotters against India was begun in Chicago.

Over 14,000 cattle and hogs were lost in the Kansas City stock yards fire.

THURSDAY, OCT. 18.

British air raid reprisals into German territory are reported to have commenced. A successful raid has been undertaken against a factory west of Saarbrücken, in Prussia, 40 miles beyond the German frontier.

Bulgarians have ceded several villages in the Struma region to British troops.

The Germans have completed their occupation of the Island of Oesel in the Gulf of Riga and German aerial patrols are scouting far and wide attacking ships and fortresses and Russian land forces.

British aviators heavily bombed the enemy's docks at Bruges.

Several German surprise attacks on the French front were repulsed.

An American destroyer was torpedoed and one man was killed and five wounded.

The King appeals for unrelaxed financial support for the Red Cross throughout the Empire, contributing £10,000 himself for this year to its work.

FRIDAY, OCTOBER 19.

Premier Borden set forth the Union Government aims.

German Socialists predict revolutionary aims.

Mutinies in the Austrian navy are reported.

The Russian fleet are bottled up in Moon Sound with a cordon of German aircraft barring their passage back into the Gulf of Finland.

British artillery shelled vigorously a number of positions east of Ypres.

On the north front of the Aisne French troops repulsed an attack directed their positions on the Vauclerc plateau.

Italy reports moderate artillery action along the whole front and large enemy parties dispersed in the Giudicaria and Dogna Valleys.

SATURDAY, OCTOBER 20.

The capture of Moon Island by the Germans, the decision to abandon Reval, a fortified port at the entrance to the Gulf of Finland, and the official announcement that the Government will be moved to Moscow are the important developments of the day's news from Russia.

On the British section of the Western Front there is still little of importance to report, according to the official communications.

Bulgaria and Turkey are anxious regarding the situation on the Macedonian front, according to special despatches from Athens and Copenhagen, and are asking that Germany send reinforcements there. Berlin, however, owing to the situation on the Western front, would rather withdraw her German troops from Macedonia, and this is said to be responsible for Turko-Bulgarian threats to make separate peace.

Germans carried out a raid over the southeastern counties and London Friday mid-night with seven or eight machines.

Great efforts have been made to revive shipbuilding in Wales.

The British Red Cross appeal was highly successful in Great Britain.

General Gurko, the noted Russian General, is now a fugitive in England.

An American steamer was sunk with bombs placed on board by a German plunger.

A Washington man, in motoring through Virginia, stopped one day at a toll bridge he had often passed over and found there was a new keeper in charge.

"Where's the man who used to act as keeper here?" asked the motorist.

"He's dead, sir," was the reply.

"Dead? Poor fellow! Joined the great majority, eh?"

"Well," said the man, cautiously, "I wouldn't like to say that, sir. He was a good enough man so far as I know."—Harper's Magazine.

## "MERCHANTS, LIMITED."

Public notice is hereby given that, under the Quebec Companies' Act, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the eighth day of June, 1917, incorporating M.M. Jean Charbonneau, advocate, Philippe Morel, agent, Joseph Simeon Pilon and Joseph Royer, stenographers; Vincent Dupuis, mail clerk, of Montreal, for the following purposes:

To purchase or otherwise acquire and deal in real or personal property of all kinds, and in particular lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents, licenses, shares, stocks, debentures, securities, policies, book debts, claims and any interest in real or personal property, and any claims against such property or against any person or company, and to carry on any business concern or undertaking so acquired, and to establish and carry on any business (except as to the issuing of policies of assurance on human life or against fire), which may seem calculated to enhance the value of any of the property or rights of the company, or to facilitate the disposition thereof;

To advance or lend money, securities or assets of all kinds upon such terms as may be arranged;

To transact and carry on all kinds of agency business, and in particular to guarantee rents and debts, and negotiate loans, to find investments, and to issue and place shares, stock or securities;

To subscribe, purchase or otherwise acquire and hold shares, stock, debentures or securities of any company or of any authority, government, municipal, local or otherwise;

To examine into the accounts and physical and financial condition of any business, reorganize business ventures by making examinations into their accounts and physical and financial condition and reporting the same to those interested therein, and to systematize and direct or give directions for the systematizing and management of such business, and to do all such other business as is usually done by an auditing company;

To investigate, examine and report on the legality of any title or the issue and value of the stocks, bonds or debentures of any corporation authorized by law to make an issue of stock, bonds or debentures;

To establish, maintain and operate a general collecting office for the collection of accounts, notes, debts, rents, dues, obligations and claims of all kinds and of any description or form whatsoever, for fees, allowances, or percentage thereon;

To purchase or otherwise acquire all unpaid or disputed accounts, book debts, notes, judgments, obligations or other claims, to negotiate any settlement and to perceive the payment thereof according to all provincial laws respecting the same;

To act as liquidator and curator to insolvent estates;

To purchase, lease or otherwise acquire and to hold and dispose of all properties, real or personal, necessary or proper for the promotion of said business or any part thereof;

To act as agents for the purpose of registering, issuing and counter signing the transfers and certificates of stocks, bonds, debentures or other obligations of any association, corporation, municipal, or otherwise, and to guarantee the payment of any debenture stock, debentures, bonds, obligations, notes, accounts or other securities and of the interest thereon;

To purchase, sell, import, export or manufacture any merchandise whatsoever, and to carry on business as principal, agent, broker, commission merchant, financial agent;

To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined;

To pay out of the funds of the company or by shares in the company, or by both cash and shares all expenses of or incidental to the formation, flotation, advertising and procuring the charter of the company, and to remunerate any person or company for services rendered to the company in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital, or any bonds, debentures or other securities of the company;

To sell, assign or otherwise dispose of the property and undertaking of the company, or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures, bonds or securities of any other company;

To do all acts and exercise all powers as are incidental to or conducive to the attainment of the above objects or any one or more of them;

To do all or any of the above things as principals, agents or attorneys;

The powers in each paragraph to be in no wise limited or restricted by reference to or inference from the terms of any other paragraph, under the name of "Merchants, Limited," with a capital stock of twenty thousand dollars (\$20,000.00), divided into two hundred (200) shares of one hundred dollars (\$100.00) each.

Dated from the office of the Provincial Secretary, The principal place of the business of the corporation, will be in the city of Montreal, this eighth day of June, 1917.

C.-J. SIMARD,

Assistant Provincial Secretary.

According to Mr. Gustave C. Piche (chief forester of Quebec province), the experts have reduced their estimate of the forest wealth of the Dominion to 414,000,000 acres, which will not last more than fifty years unless precautions are taken.



# GUIDE TO INVESTORS

## CANADIAN STOCKS

### Quotations of Listed Securities on the Montreal Stock Exchange

COMPANY	Shares par Value	CAPITAL Issued	DIVIDEND PER CENT.		1914.		1915.		1916.		1917.	
			Present.	When payable.	High.	Low.	High.	Low.	High.	Low.	High.	Low.
Ames-Holden	100	\$3,500,000	16		23	7	25	19 1/2	28	14	23	14
Ames-Holden, pfd.	100	2,500,000		Last div. July, 1914	70%	55	73 1/2	55	80	52	28 1/2	43
Asbestos Cor. of Can.	100	3,000,000	6				24	20	20	20	14	14
Bell Telephone	100	18,000,000	2	J. A. J. O.	150	140	150	140	152	58	53	42
Brazilian Traction	100	106,500,000	2 h.y.	M. N.	92	54	65	57 1/2	68	56	45	48
Brompton Pulp	100	7,500,000	1 1/2	Div. Passed Apr., '17 Feb. 7, May 7, '17	69	53	59 1/2	54	62 1/2	43	47 1/2	37 1/2
Can. Pacific Ry.	100	260,000,000	2 1/2	J. A. J. O.	219%	171 1/2	193 1/2	142	182 1/2	165	165	150 1/2
Can. Car & Fdy.	100	7,500,000		last div. June, 1914	70	48	120	50	84	32	46 1/2	22
Do, pfd.	100	15,500,000	1 1/2	last div. July, 1914	109 1/2	98	126	98	101	63	89	50
Canada Cement	100	15,500,000	1 1/2	Feb. & quarterly	81%	88	48	28	72%	37%	69	57
Canada Cement, pfd.	100	1,733,500	1 p.c.	M. A. N. F.	40	34	92	90 1/2	98	30 1/2	96 1/2	90
Can. Con. Rubber	100	2,805,500	1	last div. Oct. 1914	91	81	34		46	30	41 1/2	40
Do, pfd.	100	3,000,000	1 1/2	J. A. J. O.	97	97	91		100	91	97 1/2	96
Can. Cottons	100	2,155,500	1 1/2	J. O. 1913, J. 1917	85	24	101	100	97	70	56	48 1/2
Do, pfd.	100	8,800,000	1 1/2	J. A. J. O.	78 1/2	78 1/2	77	71	82 1/2	75	80	75
Can. Fairbanks, pfd.	100	1,500,000	3	Jan. July	92	92	77	71	71	75	80	75
Can. Fds. & Forgings	100	960,000	1 1/2	Qtly. May								
Do, pfd.	100	8,000,000	1 1/2	F. M. A. N.	110	91	243	65	227	175	205	84
Can. Gen. Electric	100	2,000,000	1 1/2	J. A. J. O.	53	53	132	91	125 1/2	108 1/2	114 1/2	101
Can. Locomotive	100	1,500,000	1 1/2	J. A. J. O.	90	86	64 1/2	36	85 1/2	108 1/2	114 1/2	101
Canada Steamships	100	5,745,000	1 1/2	J. A. J. O.	18	10	82	78	85 1/2	15 1/2	39 1/2	52 1/2
Do, Voting Trust	100	6,255,000	1 1/2	May qly.	75 1/2	59 1/2	15	5	41 1/2	14	38 1/2	35
Do, pfd.	100	12,500,000	1 1/2	15th F. M. A. N. O.			76	59	96 1/2	70	93 1/2	77 1/2
Civ. Power	100	62,000,000	1 1/2	Jan. 1917	1.95	1.00			83 1/2	76 1/2	71	71
Con. M. & Smel.* 1916	25	10,584,750	2 1/2	last div. Apr., 1914	68	28	1.00	.32	40	33	25	20
Crown Reserve	100	1,999,957		last div. Apr., 1915	92	85 1/2	34 1/2	31	20	11	23	20
Dom. Canners	100	2,752,200	2	F. J. S. D.	73 1/2	62	73	62	128 1/2	69 1/2	128	106
Do, pfd.	100	2,290,700	2 1/2	Feb. Aug.	106	97 1/2	237	107	128 1/2	69 1/2	128	106
Detroit United Railway	100	12,500,000	2 1/2	April, Oct.	93 1/2	68	19 1/2		105	92	95	64 1/2
Dominion Bridge	100	3,000,000	3 1/2	A. J. J. O.	41 1/2	19%	96	73	105	92	95	64 1/2
Dom. Coal, pfd.	100	5,000,000	3 1/2	last div. July, 1915	125	120	52 1/2	20	82	42	71 1/2	52 1/2
Dom. Iron and Steel, pfd.	100	37,097,700	1	J. A. J. O.	105	100	77	64	105 1/2	74	89	76 1/2
Dom. Steel Corporation	100	400,000	1 1/2	J. A. J. O.	169	160			165	160	165	160
Dominion Park	100	5,000,000	1 1/2	last div. July, 1915	27 1/2	25			43 1/2	41	105	99 1/2
Dominion Textile	100	1,925,375	1 1/2	J. A. J. O.	105	100	77	64	105 1/2	74	89	76 1/2
Duluth Superior	100	3,500,000	1 1/2	last div. July, 1915	27 1/2	25			43 1/2	41	105	99 1/2
Goodwins	100	1,750,000	2	J. A. J. O.	82	75			26			
Goodwins, pfd.	100	1,250,000	2	last div. July, 1914	82	75			26			
Hallfax Electric	100	1,400,000	2	J. A. J. O.	19.25	15.25			18 1/2	160	165	160
Hollinger*	5	3,000,000		J. A. J. O.			29.00	22.50	30.25	26.25	73	65
Howard Smith	100	475,000	1 1/2	F. M. A. N.	63 1/2	60					75	75
Illinois Traction	100	12,282,000	1 1/2	M. J. S. D.	185	91	91	25	44 1/2	44	87	73 1/2
Do, pfd.	100	7,135,500	2 1/2	M. J. S. D.	120	115	120	100	91	87 1/2	88	73 1/2
Lake Woods Mill	100	2,100,000	1 1/2	J. A. J. O.	193 1/2	160	198	160	217 1/2	116	185	185
Laurentide	100	9,600,000	2 1/2	J. A. J. O.	86 1/2	75 1/2	39	14 1/2	93	25 1/2	90	79 1/2
Lynn Construction	100	1,750,000	1 1/2	J. A. J. O.	70	65			68 1/2	65 1/2	144 1/2	96
Mackay Co.	100	41,380,400	1 1/2	M. J. S. D.	55	50			51	63	50	46
Do, pfd.	100	50,000,000	1 1/2	F. M. A. N.	102	97 1/2	99 1/2	99	103	99	102	100
Maple Leaf Milling	100	2,500,000	1 1/2	F. M. A. N.	175	175	175	175	175	165	165	162 1/2
Montreal Cottons	100	3,000,000	1 1/2	M. J. S. D.	140	134	140	136	136	135	138	115
Mont. Loan and Mtg.	25	400,000	2 1/2	J. A. J. O.	230	192	220		206	180	180	160
Montreal Telegraph	100	2,000,000	2 1/2	April, October	83	75	81 1/2		75	75	77	72
Montreal Tramway	100	4,000,000	2 1/2	last div. July, 1914	49 1/2	49 1/2			81 1/2	75	77	72
Do, Tram d'bs.	100	16,000,000	2 1/2	Jan. J. O.	120	39	107 1/2	45 1/2	154 1/2	92	126	88
National Breweries	100	2,254,300	3 1/2	J. A. J. O.	120	5.97	7.53	5.50	8.75	110	112	105
Do, pfd.	100	2,970,000	1 1/2 plus 25c	J. A. J. O.	123	107	144	107	152	123	160	137
N. S. Steel & Coal	100	7,500,000	1 1/2 plus 15c	M. J. S. D.	117	111 1/2	116 1/2	113	116	112	114	110
Do, pfd.	100	1,030,000	1 1/2	Feb. 1916	27	27	27	21	45	19	34	18
Nipissing Mines	5	6,000,000	1 1/2	J. A. J. O.	171 1/2	139 1/2	123	120	80	73	75	70
Ogilvie Flour	100	2,500,000	1 plus 1	F. M. A. N.	55 1/2	48	63	49	78	59 1/2	95	68
Do, pfd.	100	2,000,000	1 1/2	F. M. A. N.	34	27	82 1/2	82	86	82	73	60
Ont. Steel Products	100	750,000	1 1/2	last div. Oct., 1914	70	46			30	30	36	32
Ottawa Power	100	3,481,400	1 1/2	Initial Sept., 1916	60	50			131	60	120	115
Pennant's	100	2,150,600	1 1/2	F. M. A. M.	86 1/2	69	20	9 1/2	150	55	13 1/2	16
Do, pfd.	100	1,075,000	1 1/2	M. J. S. D.					96	92 1/2	127	106
Porto Rico Ry.	100	3,000,000	1 1/2	last div. Feb. 1913					96	92 1/2	127	106
Price Bros.	100	5,000,000	1 1/2	last div. Aug. 1913					96	92 1/2	127	106
Quebec Railway	100	9,099,500	1 1/2				31 1/2	30	25	23		
Riordon P. & P. com.	100	4,500,000	1 1/2	last div. June, 1914			69	69	76	65 1/2		
Riordon P. & P. pfd.	100	1,000,000	1 1/2	J. A. J. O.	142 1/2	110	139 1/2	110	137	128 1/2	130 1/2	113 1/2
Russell Motor	100	1,000,000	1 1/2	M. J. S. D.	60 1/2	53	65	55	59	54 1/2	59	54
Sawyer-Massey	100	1,200,000	1 1/2	D. M. J. S.	104 1/2	98	100	99	100	97 1/2	99	98
Do, pfd.	100	1,500,000	1 1/2	J. A. J. O.	20	15	45	28	57	33 1/2	55	43
Shawinigan	100	14,973,750	1 1/2	J. A. J. O.	16 1/2	9	7 1/2	3 1/2	25	31 1/2	19	12 1/2
Sherwin Williams	100	4,000,000	1 1/2	last div. July, 1913	50				69 1/2	29	53	47
Do, pfd.	100	3,000,000	1 1/2	carried								
Smart Woods	100	1,718,600	1 1/2	Jan.-April, 1917	20	12 1/2	46	8 1/2	85	34 1/2	71 1/2	50
Do, pfd.	100	1,546,500	1 1/2	J. A. J. O.	108%	93%	95	69	96%	86	100	87
Spanish River	100	8,000,000	1 1/2 plus 1/2	Jan.-April, 1917	20	12 1/2	46	8 1/2	85	34 1/2	71 1/2	50
Spanish River, pfd.	100	3,000,000	1 1/2	J. A. J. O.	108%	93%	95	69	96%	86	100	87
Spanish River, pfd.	100	2,000,000	1 1/2 plus 45	1 1/2 p.c. May, l.p.c. qly			99	96%	112	27	97	50
Steel Co. of Can.	100	11,500,000	1 1/2	last div. Jan., 1916	211	189%	80		97 1/2	92	81	42
Do, pfd.	100	6,496,300	1 1/2									
Toronto Railway	100	12,000,000	2									
Twin City Railway	100	22,000,000	2									
Wayagamack	100	5,000,000	2									
Winnipeg Electric Railway	100	9,000,000	2									

## CANADIAN BANK SECURITIES

BANK	Shares Par Value	CAPITAL Authorized Issued	Reserve as per last statement.	DIVIDEND P.C.		1914.		1915.		1916.		1917.	
				Pra.	When pay.	High.	Low.	High.	Low.	High.	Low.	High.	Low.
E. N. A.	250	4,886,666	3,017,333	3									



### NORTH GERMAN LLOYD FORESEES CLOUDED FUTURE.

A report on the depressed standing of the North German Lloyd has just been published in Washington. The report was supplied to the United States through the Consular service at Rotterdam. This article, a translation taken from the commercial supplement of the "Berliner Tageblatt," follows:

Since the outbreak of the war the shareholders of the North German Lloyd have received no report from their directors; hence, the year book 1916-17, "The War and Shipping," with special reference to the North German Lloyd, just published, is of so much the greater interest to them, as well as to the general public. In this book appears an article by Mr. Heineken, the general manager of the North German Lloyd, in which he gives an insight into the activities of the company during the present war. As is known, some of its steamers have been placed at the service of the country as auxiliary cruisers. Mr. Heineken writes:

"Our ships have been used in the service of the Empire not only as ships of war but also as a means of transport for raw materials, and in that service they have rendered great assistance. During 1915 and 1916 two of our freight boats, the Norderney and the Schwabe, were engaged in carrying ore from Sweden. Unfortunately, one of these, the Norderney, met with an accident. It ran upon an enemy mine and foundered, the captain and three of the crew meeting a heroic death. Great difficulties arose with regard to insurance. The premium paid for such a dangerous voyage by a vessel has been extraordinarily high, and when such a vessel is lost the insurance money, however high it may be, is no longer a sufficient compensation for the tonnage lost, which cannot now be replaced, and which could well be used after the war.

#### SIX PER CENT INSURANCE.

"The North German Lloyd also had to pay equally high premiums in two other cases where two of its vessels in neutral ports had been ordered to sail for home. When for a ship of the value of 10,000,000 marks, for instance, an insurance premium of 6 per cent must be paid, this is no small matter, even when a return of 2 per cent is made on the ship's safe arrival. Under these conditions it may readily be understood that no great profits can be obtained.

"Before the war the German mercantile marine for various reasons was partly insured by English companies, and the North German Lloyd did not make any exception to this general rule. The insurance system is briefly as follows:

"With regard to the perils of the seas, we insured our ships ourselves up to a certain amount (viz., 4,000,000 marks.) The amount exceeding this was in peace times covered partly with German and partly with English companies. In addition to this our ships were insured against fire during the time they were lying in port. At the outbreak of the war circumstances changed in so far that, in the first place, especially for the ships requisitioned by the Government, no further insurance was necessary, as in case of loss or damage arrangements had been made with the Government for a suitable compensation.

"As to our remaining fleet, an insurance against the perils of the sea no longer being necessary from the moment of arrival in port, they were still to be kept insured against fire. For so far as the insurance had been effected with English companies, the arrangements in regard thereto lapsed for only a part in June, 1915; it was thus only then possible to transfer the insurance of our ships wholly to German concerns. Since that time, in any case, we have not allowed the English to make money out of us.

#### BREMEN AS INSURANCE CENTRE.

"The endeavor to make the German mercantile marine, after the war, as far as possible, free of the London insurance market brought with it the need of obtaining greater cover for the perils of the sea in Germany itself. Hence, it is the intention to establish in Bremen the marine insurance business also. A favorable opportunity to this end presented itself when the Securitas Insurance Co. of Berlin, which up till now transacted only accident and employers' liability business, decided to apply itself to the marine insurance and fire reinsurance business. We succeeded in getting this company to come to Bremen. Under the management of a Bremen syndicate, at the head of which was the Bremen National Bank, and the bankers E. C. Weyhausen, of the same place, a capital of 4,000,000 marks was raised, making the total capital of the Securitas 8,000,000 marks.

"We decided more than twenty months ago to make the experience of our catering officials useful in the sphere of feeding great numbers, by taking over the catering for camps for prisoners of war. The arrangement and supply of about twenty such camps for

war prisoners, of about 20,000 men in the district of the Tenth Army Corps, has in this way gradually been transferred to the North German Lloyd. Our workshops in Bremen harbor have rendered similar practical service to the country, having recently taken over in increasing measure the manufacture of war material.

"During the long time of involuntary idleness we have naturally had in view the replacing of our loss in ships and the possible increase of our shipyards in general. We have ordered a large series of new vessels to be built simultaneously in various German shipyards. Several of these vessels were ordered before the war, and the prices for building them were considerably below the present prices. Besides our two large passenger boats, Columbus and Hindenburg, of about 35,000 gross registered tons, and our two passenger and freight boats Munchen and Zepelin, between 17,000 and 18,000 tons, we have given orders for a large number of larger freight steamers. On these orders not only all the instalments were paid as they fell due, but considerable advances have been made also to shipyards."

#### HOPES FOR POST BELLUM PROFITS.

Mr. Heineken asserts that the statement that after the war all the needs of German companies will have been met and that they will all have very rich returns is not justified. He is, however, far from holding a pessimistic view with regard to the future of German shipping. "The considerable diminution of the world's tonnage during the war," he states, "which is in the first place to be attributed to the activity of our submarines, will after the conclusion of peace have as a consequence a rise in the rates of freight, from which the mercantile fleet will profit. The question is, how long this bull on the freight market will last. A further question is whether German shipping will really be destined to make unlimited use of these circumstances. A temporary reduction of certain imports after the conclusion of peace cannot be avoided."

He believes that a doubly difficult task awaits German shipping after the war. First, he says, it must make up the great loss and damage of the years of war, and, secondly, "make up the gigantic advantage which, through the circumstances of the war, has so extraordinarily strengthened enemy and neutral shipowners in advance of us. This much, however, is certain—that the German companies, if they are helped over the first difficult times, when they will have to meet the most severe competition from their foreign competitors, will be able to withstand this severe trial and win back the lost ground."

#### RIGA'S FALL A LOSS TO ALLIED TRADE.

The fall of Riga, as the result of the disorganization of the Russian forces, is not an event to be lightly disposed of, says "Syren and Shipping." Successfully defended against the strenuous attacks of Hindenburg in 1915 and 1916, it has now been abandoned by the Russian Provisional Government owing to the cowardice of the malcontent soldiery. As a military triumph for Germany the fall of the city is unimportant, though the German bulletins would have the world believe it a veritable victory.

The political and economic results are far different and may be considered among the most important achievements of the enemy during the war. Riga is the most German non-German city in the world, and maintained through the ages that mixed patrician, republican and commercial independence which was characteristic of the old Hansa League, of which she was a member. Successively an autonomous city state, a Teutonic appanage, a Swedish vassal, and finally a Russian province, Riga retained throughout a measure of autonomy unequalled by any other city on the continent. She was German to the core in the old Teutonic way, in the safe conservatism, which was the best feature of the Hansa system and which made the city, even under the military autocracy of Gustavus, the despotism of Peter the Great and the bureaucratism of Tsardom, the westernmost outpost of sane republicanism.

Situated on the Divina, which at this point is half a mile wide, Riga, by its excellent water communication and with an immense and very rich hinterland, is ideally qualified to be an important commercial centre. This was the reason for its establishment by Bremen, as a feeder for her own trade. The Merchant-Venturers' Guild soon developed the town into a trading entrepot unequalled in importance by any other on the Baltic, a result which brought Riga affluence and prosperity. It has long held a dominating position in the Baltic timber trade and in flax. The annual export of hundreds of thousands of sleepers to Great Britain was an important item of the shipping business of the port. The logs were

floated down the Divina from Vitebsk, and the miles of timber yards by the river bank were a sight the visitor could not under any circumstances miss.

The possibility of the stoppage of this trade is one which must cause great concern, on account of the greater cost and poorer quality of this class of wood elsewhere. The trade in pit-props to this country was also an enormous business, the loss of which could not be regarded with equanimity, especially in view of the exhaustion of the supplies from other Scandinavian centres. Other leading exports were Serbian butter, hides and eggs, of which latter a billion a year were annually shipped. The manufacturing section of the town was of modern origin, but its cotton mills, foundries and pulp mills were numbered by the hundred, while the Prowodnik Rubber Company's factory was the largest in Europe.

The shipping facilities of Riga were of great importance and were shared about equally by the Russian, British and German flags. The natural advantages, which the port enjoyed during most months of the year were enhanced by the use of icebreakers during the worst winter months, thus permitting the conduct all the year round of regular services to most European ports. An important feature of the trade from this country was the shipment of agricultural implements, for which Riga had a large and ever-increasing demand, while the shipment of Indian oil seed for the manufacture of lubricants was a specialized and most important trade. On the knees of Mars lies the decision whether Germany will retain Riga, but the possibility of this is one which will cause considerable anxiety in commercial circles. The connection between Great Britain and the Queen of the Baltic is a very ancient one. An Englishman was the first burgomaster, and British capital and energy have had a large share in the development of the city's greatness. The failure of Russia to hold the city must be a source of keen disappointment in this country.

#### SHIPBUILDING MERGER FORMED.

Consolidation of the operation of all of the various shipbuilding yards controlled by the Bethlehem Steel Corporation under a new corporation to be known as the Bethlehem Shipbuilding Corporation, Ltd., in order to co-ordinate and expedite work on the increased volume of Government shipbuilding demands, was announced in New York last week.

The new company will be capitalized at \$12,500,000, all the stock to be owned by the Bethlehem Steel Corporation or its subsidiaries with the exception of directors' qualifying shares. The president will be E. G. Grace and the vice-president in charge of sales and operations will be J. W. Powell, now president of the Fore River Shipbuilding Corporation, Quincy, Mass.

The companies involved are:  
The Union Iron Works Company.  
The Union Iron Works Dry Docks Company, San Francisco.  
Harlan and Hollingsworth Corporation, Wilmington, Del.  
Samuel L. Moore and Sons Corporation, Elizabeth, N. J.

Shipyard at Sparrows Point, Md., now operated by the Bethlehem Steel Company.

Fore River Shipbuilding Corporation, Quincy, Mass.  
The statement issued by the Bethlehem Steel Corporation, covering the above announcement, says:

"In order to expedite the work on the present enormously augmented volume of ship contracts of its subsidiary companies, Bethlehem Steel Corporation has arranged to consolidate under one management all its various shipyards.

"The demands of the Government on the facilities of shipbuilding plants make it essential that all duplication of engineering and similar overhead work shall be avoided as far as is possible and the proposed consolidation is expected, through the resulting standardization and the centralization of management, to increase the production of the yards affected—a result of vital importance in this time of insistent demand for expedition in the building of ships.

"For this purpose a new corporation is being formed under the laws of the State of Delaware, to be known as Bethlehem Shipbuilding Corporation, Ltd., with an authorized capital of \$12,500,000. All of the stock to be issued (except director's qualifying shares) will be owned by Bethlehem Steel Corporation or its subsidiaries. All contracts for ships hereafter taken by Bethlehem interests will be taken in the name of the new corporation."

The Bethlehem Shipbuilding Corporation will control by purchase, lease or otherwise the operation of the yards of the concerns enumerated above.



**PERU AN ALLY.**

Peru has notified Great Britain that her ports will be open to British vessels. Similar privilege is expected to be granted United States.

**MORE GERMAN SHIPS GONE.**

Ten German vessels, with an aggregate tonnage of 42,272 gross, are in Peruvian ports and eight others of a total of 42,652 tons are in ports of Uruguay.

**SOUTH AFRICAN RAILWAYS.**

The General Manager of Railways and Harbors in South Africa reports that on December 31 last there were 9,419 miles of railways open to traffic, as compared with 9,033 miles at the end of 1915. Of the 386 miles opened last year about 110 miles were in Cape Province, 158 miles in Transvaal, 77 miles in the Orange Free States, and 39 miles in Natal. For 1917 no new lines were authorized, and the uncompleted sections authorized in 1913 were retarded through curtailment of expenses and shortage of permanent-way material.

**RAILWAY EARNINGS.**

The gross traffic earnings of Canada's three principal railways for the second week in October aggregated \$5,606,105, against \$5,181,795 for the corresponding week a year ago, an increase of \$424,310, or 8.2 per cent. Each of the three roads showed an increase. Last week's aggregate was the largest for any seven-day period this year and the percentage increase in the aggregate the largest since the third week in July.

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

	1917.	Increase.	P.C.
C. P. R. . . . .	\$3,333,000	\$299,000	9.9
G. T. R. . . . .	1,312,505	12,410	1.0
C. N. R. . . . .	960,600	112,900	13.3
	\$5,606,105	\$424,310	8.2

**JAPAN FINANCING CHINA.**

China and Japan have signed an agreement concerning the lease of the Kirin-Chang-Chun Railroad in Manchuria, by which Japan will loan China \$3,250,000 at 5 per cent for a period of 30 years.

**BRAZIL'S QUOTA OF SHIPS.**

46 German merchantmen, totalling 240,700 tons, recently seized by Brazil, will be used by that country to transport food and supplies to Europe.

**ALLIES GET 300 MORE SHIPS.**

The allies have increased their shipping, according to the Times, through acquisition by Royal Mail Steam Packet Co. and Lamport & Holt line, of controlling interest in Argentine Navigation Co., which has a capital of \$10,000,000 and owns more than 300 vessels. Three leading French lines and one Italian shipping company participated in the transaction.

**GLASGOW AS SHIPBUILDING CENTRE.**

The King's visit to Port Glasgow recalls a fact in the history of ships and shipbuilding which has a particular interest at the present time. As everybody knows, it was from Port Glasgow that the first steamer ever built, the Comet, owner Henry Bell, was launched in 1812. She was a thirty-ton vessel with an engine of three-horsepower, and was found to be so successful that within the next two years two larger craft were constructed. One of these was the Marjery, and from the Clyde the Marjery was transferred to the Thames, and plied between London and Gravesend during the first months of 1815. But she was viewed with disfavor by the Thames watermen. She was very much of a novelty, and they were suspicious of novelties; besides, they considered that this Scotch-built boat interfered with their rights. So the Marjery left the Thames for the Seine; her owners having sold her to a French company. To reach the Seine she had to cross the Channel, and she was thus the first steamer to do so.—Christian Science Monitor.

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# COMMODITY MARKETS

## Week's Wholesale Review

Bradstreet's Montreal Weekly Trade Report says: The weather has been better during the past week, which has made the country roads more passable. In the wholesale districts there is a rush to get out orders, but a good many orders have to go out incomplete, owing to the difficulty in getting supplies from the manufacturers. There has been a much better feeling in the leather market, owing to large supplies being taken off the market for Government purposes, which has resulted in advancing prices. The hide market has been more buoyant, and prices have scored a further advance.

The wool market is firmer, the Department of Agriculture have notified the farmers and sheepmen in the North West that they have disposed of their wool crop at 66c per pound. The butter market is stronger and prices advanced in the face of heavy supplies coming into this market. The market for eggs is also very firm under a good local and export demand. The demand for Canadian hay is very good, there are quite a number of American buyers around, and quite a large business has been done for shipment across the border.

The receipts of potatoes coming into the market have been fairly heavy, but there has been no let up in the price. Prices on new crop tomatoes and corn have not been announced yet by the canning interests. There is a good supply of small fruits in canners hands, but they find it difficult to get sufficient sugar to do their canning. In the grocery trade there has been quite a number of advances in prices of such articles as stove and metal polish, essences, baking powder, salt, sardines, chewing tobacco, oil of lemon, coconut, etc. In hardware higher prices are recorded on all lines of electrical appliances, stove polish, saw sets, knives, lamp burners, wedges, egg beaters, etc. Amongst the articles which show a decline in prices are galvanized sheets, linsed oil and white lead oil. Turpentine is firmer. Cattle prices have advanced, but live hogs are weaker.

The high prices paid for all kinds of farm produce, makes remittances from the country very satisfactory. City collections are fair. The weather conditions being better, has improved the retail trade.

Dun's Bulletin says of Montreal trade: Shipments of merchandise continue to be of liberal volume, with one or two exceptions, and general collections are well maintained. The heavy payments falling due in the dry goods trade on the 13th, were remarkably well met. There has not as yet been sufficient cold weather to cause any material reduction of retail dry goods stocks, but travellers are sending in a very fair proportion of sorting orders along with good business in spring lines. Local manufacturers of oil-cloths and linoleums are experiencing considerable difficulty in getting supplies of raw materials, and in various other lines the situation in this respect is becoming more acute.

Matters in the fur manufacturing trade have assumed a more satisfactory phase, most of the operatives having returned to work, and a joint committee has been formed of five employers and five employees has been formed to try and adjust matters in dispute. Hat orders for spring are reported as being fair to good.

Conditions in the boot and shoe trade do not show much improvement, a number of the factories being only partially employed. Jobbers and retailers have been holding back orders, in the expectation that leather prices would recede, but their hopes in this direction seem doomed to disappointment, as tanners are not now disposed to make any concessions they might have allowed several weeks ago, owing to telegraphic advices this week that the American Government had placed orders for eight million pairs of shoes, and reports of firmer markets in Boston and other United States trade centres.

Staple groceries show a steady seasonable distribution. Reports of a sugar shortage have been much exaggerated, local refiners claiming that stocks are sufficient to go around till new crop of raws is available, though they are disposed to conserve supplies and limit sales to some extent. Refinery prices remain on the same basis, namely, \$9 for standard granulated in bags. Molasses commands very high figures, 77 cents being asked for fancy grades in round lots. The California raisin crop is reported abundant, but quotations are the highest on record.

Supplies of Mediterranean dried fruits will be almost nil. No Valencia or Sultana raisins will be here this season, and only a few small parcels of Malaga fruit are expected. Currants would cost 25 cents in bulk, laid down, practically a prohibitive figure. In the provision line prices continue to rule high. Money conditions are unchanged, and the rate for all funds remains at 6 per cent.

Twelve district failures are reported for the week, with liabilities of about \$160,000.

### LIVESTOCK.

MONTREAL—The offerings at the two yards last week amounted to 5625 cattle, 5325 sheep and lambs, 3950 hogs and 1,650 calves. On the opening day of last week's market cattle prices advanced 25c, sheep \$1, lambs and calves 50c while live hogs prices in sympathy with the decline in Toronto, broke \$1.25 per 100 lbs. The feature of the cattle trade was the demand for canning stock, the offerings of which were large. A brisk trade was done with sales of bulls at \$6.50 to \$7, and cows at \$5.25 to \$5.75 per 100 lbs. The trade in butchers' beeves was more active than it has been of late. The good demand for small meats continued both for local and American consumption. Lambs advanced 25c to 50c per 100 lbs, with sales of Ontario stock at \$15 to \$15.75, and Quebec at \$14 to \$14.50, while sheep were \$1 higher at \$10 to \$10.50 for ewes per 100 lbs. The demand for calves was active and prices advanced 50c per 100 lbs. The market for hogs was weak and prices broke \$1.25 per 100 lbs, which was due principally to the weakness at other Canadian centres at the latter end of last week. At this reduction there was a steady demand from packers and a fair trade was done with sales of selected lots at \$17.50 to \$18, sows at \$14.50 to \$15, and stags at \$12 to \$13 per 100 lbs. weighed off cars.

At Wednesday's market prices remained firm with Monday and a good trade was done.

Quotations:

Butchers' steers, per 100 lbs.		
Do., choice.	10.50	10.75
Do., good.	10.00	10.25
Do., medium.	9.50	9.75
Do., rough.	8.50	8.75
Butchers' Cows.		
Do., choice.	8.25	8.50
Do., good.	7.75	8.00
Do., fair.	7.25	7.50
Bulls, choice	8.00	8.50
Do., good.	8.25	8.50
Do., fair.	7.75	8.00
Canners' cattle:		
Do., bulls.	6.75	7.00
Do., cows.	5.25	5.75
Sheep and Lambs.		
Ewes.	10.00	10.50
Bucks.	9.00	9.50
Ontario lambs.	15.00	15.75
Quebec lambs.	14.00	14.50
Hogs.		
Do., choice selects.	17.50	18.00
Sows.	14.50	15.00
Stags.	12.00	13.00

TORONTO. — The receipts of cattle at both yards, for the week ending Oct. 20th amounted to 9,534 cattle, 614 calves, 6081 hogs and 7914 sheep and lambs, a good trade. The cattle trade was fairly active during the week, the offerings being good and the demand brisk prices showed no important changes. The trade in small meats was good, common calves showing an increase of 50c per 100 lbs. The market for live hogs weakened and prices showed a decline of 50c per 100 lbs.

Quotations:

Choice export steers.	11.50	12.25
Butchers' choice handy.	10.25	11.00
Do., good.	9.00	9.75
Do., medium.	8.00	8.50
Do., common.	7.25	7.75
Butchers' bulls, choice	8.00	9.25
Do., good.	7.50	8.25
Do., medium.	6.25	7.25
Butchers' choice cows	8.00	8.50
Do., good.	7.00	7.50
Do., medium.	6.50	7.00
Do., common.	6.00	6.50
Feeders.	8.00	9.25
Stockers, good	7.25	8.00
Do., medium	6.75	7.25

Canners	5.25	5.75
Milkers, good to choice.	90.00	125.00
Do., common and medium	65.00	85.00
Calves, veal, choice	15.00	15.50
Do., medium	11.00	13.00
Do., common.	6.50	7.00
Do., grass	6.00	7.00
Do., heavy fat	8.00	10.50
Spring lambs, cwt.	16.50	16.75
Sheep, ewes, light.	8.50	12.00
Do., heavy and bucks	7.50	9.50
Do., culls	4.00	5.50
Hogs, fed and watered.	17.75	18.00
Do., off cars.	18.00	18.25
Do., f.o.b.	16.75	17.00

### COUNTRY PRODUCE.

#### BUTTER.

The receipts of butter for the week ending October 20th, 1917, were 7,215 packages, which show a decrease of 3,266 packages as compared with the previous week, and a decrease of 1,996 packages with the same week last year, while the total receipts since May 1st to date show a decrease of 133,381 packages as compared with the corresponding period in 1916.

Prices of butter show no changes although at the beginning of the week the market developed a firm feeling and prices at the auction sale scored a further advance of 1/8c to 1/4c per lb., finest creamery selling at 46c, which was the record high figure for the season to date, but towards the close of the week there was an easier undertone to the market and prices at the above sale declined 3/8c to 1/2c per lb. This week the Quebec Agricultural Co-operative Society offered 1,176 packages and the pasteurized creamery sold at 45 3/4c to 46 1/4c per lb. finest at 45 1/2c to 46c, and fine at 45 1/4c, while at Gould's Cold Storage 400 packages changed hands at 45 1/4c to 46c. At St. Hyacinthe, without any cause or reason a representative of a local firm bid the prices of butter up 1/2c per lb. to 45c at which figure all offerings were sold.

We quote the following wholesale prices:

Finest creamery	0.46	0.46 1/2
Fine Creamery	0.45	0.45 1/2
Finest dairy	0.39	0.40
Fine dairy	0.38	0.38 1/2
Lower grades	0.37	0.37 1/2

#### CHEESE.

The receipts of cheese for the week ending October 20th, 1917, were 46,572 boxes, which show a decrease of 8,970 boxes as compared with the previous week, and a decrease of 19,704 boxes with the same week last year, while the total receipts since May 1st to date show a decrease of 296,142 boxes as compared with the corresponding period in 1916. Of the total receipts for the same week last year there were 10,409 boxes received from the United States.

There was no important change in the cheese situation.

Prices were well maintained during the week and there was no important change in the cheese situation. At Kingston and Perth last week 1-16c per lb. higher than last week at 21 5-16c while at Picton they were 1-16c to 1/8c lower at 21 5-16c. The highest figures paid were 21 3/8c at Campbellford and Vankleek Hill, and the lowest was 21 1-16c at Mont Joli.

The commission is paying the following prices:

No. 1 western and eastern cheese	0.21 3/4
No. 2 western and eastern cheese	0.21 1/4
No. 3 western and eastern cheese	0.20 3/4
Lower grades	0.20 1/4

#### EGGS.

The receipts of eggs to-day were 1,100 cases, as against 1,208 for the same day last week and 2,594 for the corresponding date a year ago. The receipts for the week ending October 20th, 1917, were 8,928 cases, as compared with 5,062 for the previous week, and 20,870 for the same week last year. The total receipts since May 1st to date were 251,117 cases as against 446,363 for the corresponding period in 1916. A fairly active trade was done during the week, the demand for domestic consumption being good. Prices ruled steady.

We quote current prices as follows:

Strictly new laid.	0.53	0.54
Selected stocks	0.47	0.48
No. 1 candled	0.43	0.44
No. 2 candled	0.40	0.41

Potatoes per bag, past two American done with \$2.20 per \$2, while at \$2.25 t \$0 lbs. ex

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Receipts Receipts Receipts Week end Week end Total rec 20th, 19 Total rec 21st, 19

A good and a lar which w Fort Wil Canadian at 76 1/2c, bec No. bushel, e mand for done in and reje quoted at store.

Grains: Spring V Do., No Do., No Do., No Do., No Feed ... Oats: No. 2 C. Do., No Do., Ex Do., No Barley No. 3 C. No. 4 C. Rejected Flax: No. 1 N. No. 2 C. No. 3 C.

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**POTATOES.**

Potatoes scored a further advance in price of 30c per bag, making a net rise of 50 to 60c during the past two weeks. There was a good demand from American and local buyers and an active trade was done with sales of car lots of Green Mountains at \$2.20 per bag of 90 lbs. ex-track and white stock at \$2, while in a wholesale jobbing way the former sold at \$2.25 to \$2.30, and the latter at \$2.10 per bag of 80 lbs. ex-store.

**RECEIPTS OF BUTTER AND CHEESE.**

The following table shows the receipts of butter and cheese in Montreal for the week ending October 20th, 1917, with comparisons:—

	Butter, pkgs.	Cheese, boxes.
Receipts Oct. 20, 1917	940	7,046
Receipts Oct. 13, 1917	4,196	15,335
Receipts Oct. 21, 1916	2,356	9,763
Week ending Oct. 20, 1917	7,215	46,572
Week ending Oct. 13, 1917	10,481	55,542
Week ending Oct. 21, 1916	9,211	66,276
Total receipts May 1st to October 20th, 1917	295,581	1,600,845
Total receipts May 1st to October 21st, 1916	428,962	1,896,987

**LOCAL GRAIN MARKET.**

A good demand for oats lasted through the week and a large volume of business was done, the bulk of which was for November-December shipment from Fort William. On spot sales of car lots of No. 2 Canadian Western were made at 77½c, No. 3 C. W. at 76¼c, extra No. 1 feed at 76¼c, Ontario and Quebec No. 2 white at 72c, and No. 3 white at 71c per bushel, ex-store. There has also been a steady demand for barley and a fair amount of business was done in Ontario malting grades and Manitoba feed and rejected. Spot car lots of the former are quoted at \$1.31 and the latter at \$1.26 per bushel ex-store.

Grains:	per bushel.
Spring Wheat Northern No. 1	2.21
Do., No. 2	2.18
Do., No. 3	2.15
Do., No. 4	2.07
Do., No. 5	1.94
Do., No. 6	1.87
Feed	1.29
<b>Oats:</b>	
No. 2 C. W.	0.67½
Do., No. 3 C. W.	0.64½
Do., Extra No. 1 feed	0.64½
Do., No. 2 feed	0.61½
<b>Barley:</b>	
No. 3 C. W.	1.20½
No. 4 C. W.	1.15½
Rejected	1.10½
<b>Flax:</b>	
No. 1 N. W. C.	2.95½
No. 2 C. W.	2.90½
No. 3 C. W.	2.79½

**LOCAL FLOUR.**

A good demand for first-patent spring wheat flour for shipment to the United States was the main feature of interest in the milling trade last week. The local demand was also good and a good trade was done in both straight and mixed car lots for prompt delivery and for shipment within thirty days. The market on the whole is active with no change in prices to note.

Flour:	per barrel.
First patents	11.60
Second patents	11.10
Strong clears	10.90
<b>Cereals:</b>	
Rolled Oats, 90 lb. bag	4.00 4.10
<b>Feed:</b>	<b>Per ton.</b>
Bran	35.00
Shorts	40.00 42.00
Middlings	48.00 50.00
Moullie, pure grain grades	58.00 59.00
Moullie, mixed grain	55.00

**MILLFEED AND ROLLED OATS.**

The market for rolled oats developed a firm tone due to the good steady demand and sales were made of standard grades in broken lots at \$4 to \$4.10 per

bag of 90 lbs., delivered to the trade. There is also considerable enquiry for round lots for shipment to the Allied governments and the output of some mills are closely sold up for some little time to come. Trade in millfeed was brisk with a good demand from all sources. The tone of the market was firm but prices remained unchanged.

**RECEIPTS OF GRAIN AND FLOUR.**

The receipts of grain and flour in Montreal for the week ending October 20th were:

Wheat, bushels	1,318,175
Oats, bushels	64,038
Barley, bushels	167,453
Corn, bushels	2,200
Peas, bushels	2,459
Flour, sacks	25,304
Hay, bales	18,506
Straw, bales	1,136

**RECEIPTS OF GRAIN IN WINNIPEG.**

The receipts of grain in Winnipeg for the week ending October 20th.

	Week end. Oct. 20.	Same date last year.
No. 1 Hard	21	
No. 1 Northern	3,074	
No. 2 Northern	1,320	
No. 3 Northern	642	
No. 4 Wheat	234	
No. 5 Wheat	103	
No. 6 Wheat	85	
Feed Wheat	18	
Rejected	131	
No. Grade	43	
Winter	9	
Special	2	
<b>Totals</b>	<b>5,575</b>	<b>4,287</b>
Oats	546	898
Barley	227	259
Flax	62	36

**LOCAL STOCKS OF GRAIN IN STORE.**

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

	Oct. 20, 1917.	Oct. 13, 1917.	Oct. 21, 1916.
Wheat, bushels	2,691,690	1,299,524	2,584,406
Corn, bushels	28,785	28,833	825,672
Oats, bushels	223,810	407,559	4,173,553
Barley, bushels	322,875	121,745	803,198
Flax, bushels	16,614		15,000
Rye, bushels	1,005	3,910	123,984
Flour, sacks	58,535	48,276	37,775

**MIXING OF GRAIN.**

FORT WILLIAM, October 20.

A great deal of discussion took place in this country and in the United States over the action of the Food Administration in Washington, prohibiting the mixing of grain. This, in the minds of some people both in the United States and Canada, seemed to indicate the death of Sample Market Trading.

The following quotation from the Minneapolis Journal of October 18th will be of great interest to the producers of Western Canada and to those interested in grain:

**ALL GRADES OF WHEAT TO BE SOLD ON SAMPLE.**

WASHINGTON, Oct. 18.

Hereafter all grades of wheat in the Minneapolis market are to be sold on sample. This was decided upon at a conference to-day between representatives of the railroad commissions of the northwest, with Charles J. Brand, chief of the division of markets of the department of agriculture. A conference will be held in New York Saturday with relation to the operation of the wheat purchasing corporation.

He: My ancestors came over in the Mayflower. See: It's lucky they did; the immigration laws are a little stricter now.—Yale Record.

**THE INTERNATIONAL SUGAR AGREEMENT.**

**Preliminary statement of the text of ar-**

How completely the American sugar trade has come under Government control is indicated by the text of the international agreement that has just become available and is printed in the New York Journal of Commerce.

In brief, it will be observed that the International Sugar Committee has been given power to arrange for the purchase of raw sugar from all sources for the purpose of supplying and apportioning the requirements of the United States and of all other nations at war with Germany. The refiner must import his raw supplies through the International Committee and must sell all his refined product at a price not more than 13-10c per pound wholesale above the basic price for 96 degrees centrifugal. This margin includes the fee paid to the committee and is exclusive of the 2 per cent cash discount payment ten days to the trade. This margin is subject to revision from time to time by reason of changes in costs of refining and of distribution, or in the event of an excise or similar tax.

The International Sugar Committee and American Refiners' Committee will co-operate with the refiner to prevent so far as possible any loss by the refiner on any sugar purchased under the agreement. A violation of the terms of the agreement may result in and be cause for revocation of the refiner's license. Following is the full text of the agreement which entered into full force on October 1 and will continue until the existing state of war has terminated:

**FULL TEXT OF SUGAR AGREEMENT.**

1. The United States Food Administrator agrees that the said International Sugar Committee shall arrange for the purchase of raw sugar from the West Indies and such other import sources as are available, for the purpose of supplying and apportioning the requirements of the United States and of the other nations at war with Germany.

2. That all questions of a purely domestic nature coming before the International Sugar Committee in the performance of the duties assigned to it by this contract shall be referred to the American members of said committee for action.

3. That after the date of this agreement the refiner will not import or purchase any such raw sugar as is described in paragraph one (1), except through the International Sugar Committee of the United States Food Administration, and will permit said committee to arrange, route and distribute such purchases for refiner's account, so far as possible, according to refiner's convenience and requirements. Such purchases may be made either direct or through a broker if customary, or otherwise as said International Sugar Committee shall find expedient.

4. That the United States Food Administration will direct the said American Refiners' Committee to fix the basis of proportionate distribution of the sugar provided by the International Sugar Committee for the United States among the refiners who enter into this or a similar agreement with h'm, and to arrange for the apportionment to each refiner of a fair proportion of such sugar. In case of disagreement between the refiner and the American Refiners' Committee or between the American Refiners' Committee and the International Sugar Committee the matter shall be submitted to the United States Food Administrator and his decision shall be final.

5. That in apportioning said sugar to any refiners, as provided in paragraph 4, the American Refiners' Committee shall take into consideration any written contracts now in effect made by the refiner for the purchase of foreign or domestic raw sugars for delivery after the date of this agreement, and also any contracts which refiner may hereafter make for domestic raw sugars which are not imported into the United States or any purchases of same.

6. On each purchase arranged for by the said International Sugar Committee and the American Refiners' Committee the buyer will pay to the said committees a sum for each ton that, calculated on the entire tonnage handled by the committees, will be sufficient to pay the actual expenses of the committees, this amount to be calculated at such intervals as the committees may determine.

7. The Food Administrator agrees that he will cause the International Sugar Committee to determine on each business day, and to post in its office and publish in certain daily newspapers and trade journals to be designated by the committee, basic



prices for 96 degrees centrifugal sugar delivered duty paid refining points.

8. The refiner agrees that it will sell all sugar refined by it at a price not more than 13-10c net per pound of fine granulated sugar in barrels or in 100-pound bags (when used as the standard basis) f. o. b. refinery, above the basic price for 96 degrees centrifugal sugar, as determined by the International Sugar Committee under paragraph (7) above and in force on the day when such sale of refined sugar is made, with such differentials as are shown on its official price list. Said net margin shall include the fee paid to the committee and be exclusive of the 2 per cent cash discount, payment 10 days to the trade. This margin is determined on a delivered duty paid price of from 5½c to 6c per pound, and in case the basic price provided for in paragraph 7 goes below 5½c a pound shall be decreased by the United States Food Administrator in such a manner as to return substantially the same profit to the refiner. In case the basic price goes above 6c per pound, said margin shall be increased by the United States Food Administrator to accomplish the same purpose.

9. It is mutually agreed that said margin is also subject to revision from time to time by reason of changes in costs of refining and of distribution, or in the event of an excise or similar tax.

10. It is further understood that inasmuch as this agreement has been entered into at the urgent request of the Food Administrator for the purpose above recited and notwithstanding the absence of any statutory power on the part of the food Administrator to fix the price of raw or refined sugar and in view of the limitation on the price to be secured by the refiner for its refined product herein agreed to, the said Food Administrator, through the said International Sugar Committee and the American Refiners' Committee, will co-operate with the refiner to prevent, so far as possible, any loss by the said refiner on any sugar purchased as herein provided.

11. The refiner agrees to conduct its cargo export business under the supervision of the United States Food Administrator, and in fixing the price to nations represented by the Royal Commission on the sugar supply will add not more than the net refining margin for domestic business, with drawback allowance to the buyer of 1c per pound for granulated sugar when made from dutiable imported Cuban raw sugar, unless otherwise approved by the United States Food Administration, such drawback being based on present rate of duty upon Cuban sugars, and to be adjusted in the event of any change in the present rate of duty on Cuban sugar.

12. It is understood and agreed by the refiner that a violation of any of the terms of this agreement may result in and be cause for revocation of its license.

13. This agreement shall remain in full force and effect from October 1, 1917, until the existing state of war between the United States and Germany shall have terminated, and the fact and date of such termination shall be ascertained and proclaimed by the President and thereupon this agreement shall end.

#### AUSTRALIAN WOOL SEASON A BUSY ONE.

##### Effect of the government's system of control.

In a review of the wool season, which closed on June 30, a writer in the "West Australian" (Perth) states that the past season has been unique in the history of the trade. Shortly after the Proclamation of November 16, 1916, which prohibited any transaction in wool, the British Government purchased the balance of the Australian clip at an all-round price of 15½d. A system of valuation was evolved, based upon the various types of Australian wool in conjunction with a clean scoured basis, the whole to represent 15½d. per pound for the Australian clip, and the best brains of the wool trade were brought to bear upon the system. Great credit is due to the whole of the trade generally; to those who formed the central, State and sub-committees giving the benefit of their trade technical knowledge and experience; and to those buyers who supplied the inner knowledge of types and the basis of clean scoured values relative to such types.

Taking the appraisement as a whole, and mindful of the fact that the scheme was evolved at very short notice, it must be granted that the results attending the total sale have been extremely satisfactory. The actual purchase of the wool by the British Government has been of far greater benefit to Australia than is generally credited, for had not such purchase by the Government taken place it has been computed that

at least 60 per cent of the Australian clip would, at the moment of writing, remain unsold.

##### SHORTAGE OF SHIPPING.

The shortage of freight and the letter-of-credit difficulty would have created a wool market subject to every variation of the surrounding difficulties, a market upon which a wool would be one day worth 20d. and practically unsalable the next. Even with all the means at their disposal, the British Government has not been able to cope with the shipping shortage, and wool brokers' stores are still taxed to their utmost with the storage of wools appraised and paid for.

The benefits which have accrued from the appraisement scheme, and for which wool-growers of Australia should deem themselves very fortunate, are "the quick sale of wool and prompt payment therefor," "the good all-round price obtained for all and every quality of their wool," and "the absence from the market, due to the scheme of fluctuation in value." The flaws in the scheme have been very few, and wherever such may have shown themselves have quickly been remedied; in fact, the flaws have merely been caused through physical inability on the part of the appraisers and their staff to cope with the tremendous congestion which was caused during the hiatus from the time of opening the market to the Government sales.

Grumblers are always in evidence and are to be found in the wool business of to-day, but at the root of the appraisement scheme stands the great democratic principle that everyone has been treated alike. It has been contended that the scheme eliminates the spirit of competition which creates a value, but under the Government arrangements the wool growers are protected by the valuations of the broker's appraiser, and his estimate of value is competed against by the Government appraisers; the latter, having nothing to gain by a cheap valuation of the wools, loyally appraise them at what is, in their opinion, their true value. Thus it will be seen that, although competition between buyers is eliminated, it is replaced by a desire on both sides to establish a true value. The retention of the 10 per cent of sale value was unavoidable in a scheme of such magnitude, operating for the first time, and the plus or minus of this percentage will show how close the types and their relative values have been gauged to the total sale at 15½d.

##### SCHEME OF APPRAISEMENT.

The fact that the Government has prohibited trafficking in this percentage retention rather shows that they wish to protect the growers generally and may be taken as a good sign that the final adjustment will be slightly in excess of 30 per cent.

So far the types of wool and their respective values have not been made public, but when the whole appraisement scheme is finished, these types and their respective values will serve as a very good educational factor to wool growers. They will serve to show growers those types which have a relatively high value, and will also stand as a basis of general market reports, which would consequently be of far more actual interest than at present. They will provide food for a general discussion, and as such will be an instructive force in the industry.

Notification has been made that the season's clip of 1917-18 has also been taken by the British Government, upon the same terms and conditions, and this should cause gratification in all wool ranks. At present there is no indication as to when the next appraisements will commence, the various staffs being engaged upon statistical work and the compilation of reports upon stock and other branches of the industry. The closing of the books upon such a deal as the purchase of the 1916-17 clip must necessarily take some time, but it is certain that congestion, as existed last year, will be avoided and appraisements will probably be continued in from four to six weeks' time.

#### NEW AUSTRALIAN PLAN FOR WHEAT STORAGE.

##### Bulk of the Expense is to be Borne by Farmer.

(Concluded from page 3.)

blited against all the wheat, it follows that the charge that will be made will amount to only 1-24th of a penny per bushel per month.

The Royal Commission which inquired into the question is satisfied that under existing conditions as to material and labor the average cost of constructing silos complete, with sufficient elevating and handling equipment for storage purposes,

would not exceed one-half per bushel capacity. The inquiries and investigations which have been made into the question indicate that this price will not cover any special foundation difficulties, such as piling or reclamation, and it is assumed that sites will be selected having good foundation qualities.

The Commission is further satisfied that the maintenance of the storage would be so low during the emergency storage period as to be negligible, the maintenance of the silos being nil, and that, as the cost of the elevating equipment was only a small proportion of the total, its maintenance cost would become very small taken over the whole. It is also considered that for a number of years the maintenance of the equipment should be very low. It is estimated that 10 per cent of the construction cost per annum will cover interest, maintenance, provision for obsolescence of equipment and sinking fund, which, on the basis of one-half per bushel construction cost, is 1.4d per bushel per annum, i. e., approximately ¼d per bushel per month, as already stated.

As regards handling, the Commissioners express the opinion that this should not exceed ¼d in the first and ¼d in any subsequent handlings which may be found necessary in order to keep the wheat in good condition.

When the Commission has concluded its work of erecting the silos the whole business will be handed over to and controlled by the wheat pool.

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