

DEC 29 1920

Journal of Commerce

OF CANADA

VOL. XLVIII, No. 52

GARDENVALE, P. Que., DECEMBER 28, 1920

PRICE, 10 CENTS

SITUATE some forty-five miles East of Montreal, on the Richelieu and St. Lawrence rivers, the city of Sorel may be said to derive a superb strategic advantage from its favored position on the world-famous St. Lawrence route. The city is a fine natural harbor with a minimum depth of thirty-five feet of water all the year round. Further than this, as a place for wintering ships of the very largest tonnages, it is unexcelled. Repairs of every sort and kind, on the largest, as well as the smallest, scale, can be effected in Sorel with ease and security. In short, ships that require over-hauling of any description cannot possibly do better than repair to Sorel for that purpose.

It is its almost unique advantages of the kind just mentioned which have, up to the present, done much to shape Sorel's industrial proclivities. So far, in its manufactures, the manufacture of marine equipment of various kinds and of ship-repairing facilities has predominated. But there is no reason why its industrial destiny should be limited to manufactures of this sort, though naturally they will always loom large in the commercial life of a place so situated. On the contrary, Sorel is an advantageous location for factories of almost any kind — and to this fact, concerns not connected in any way with the provision of marine equipment, etc., are beginning to wake up as is proved by more than one such having made arrangements recently to build there.

The Present Industrial Backbone.

Nevertheless, ship-building and ship-repairing and the necessary adjuncts to these industries constitute, at the present time, the industrial backbone of Sorel. The location there of the Dominion Government Shipyards, which are situated on the St. Joseph de Sorel side of the Richelieu river is a great help to the commercial life of the place. It is, indeed, capable of becoming a far greater one than it yet is. For these shipyards contain what is, beyond dispute, one of the very best ship-building plants, whether as regards natural facilities, or as regards equipment and apparatus generally, in all Canada. It is capable of turning out anything at all in the way of ships. At present, it gives employment to some 500 men in a comparatively busy time. But the feeling in Sorel seems to be that the Government should enable it to work to capacity which would give employment to more than double that number. In addition to ships, properly so called, a large number of tugs and dredges are built at these yards. Mr. Louis Lacouture is the superintendent.

Also situated on the St. Joseph de Sorel side of the river is the plant of the Transportation and Shipping Company where around 500 men find employment. Mr. D. La Chance is the present president of this concern which was started by a ship-building company which failed. On its failure, the concern was run under new auspices with Mr. D. La Chance as president. When it was taken over, six steel boats, each about 180 feet long, had been very nearly completed, as

SOLID SOREL

With its Fine Harbor, Cheap Sites, Labor and Power and Abundant Lumber for all Purposes, Sorel is an Ideal Location for Factories.

By A. R. R. JONES.

well as six wooden boats. The present management are finishing these. In fact, four of the wooden boats have already been finished and have left the plant. One is told that a contract to build another steel boat has been entered into since matters were put on their present basis. With its large machine shops and saw-mills, and other adjuncts to the business of ship-building, the plant of the Transportation and Shipping Company is a very big one.

Concerned With Transportation.

The Sincennes-McNaughton Line Ltd., with its premises on Charlotte Street, is a tug and transportation line, with as fine a transportation equipment as any concern in the same kind of business can show anywhere. It owns about fifty-five tugs and about twenty-five barges of all kinds. Mr. A. A. Larocque is the president, and Mr. Yvon Dupre the managing director, of the Sincennes-McNaughton Line.

Also at Sorel in dock just now, awaiting annual repairs, is the entire fleet of the Canada Steamship Lines operating between Montreal and Quebec, and a part of the Lakes fleet as well.

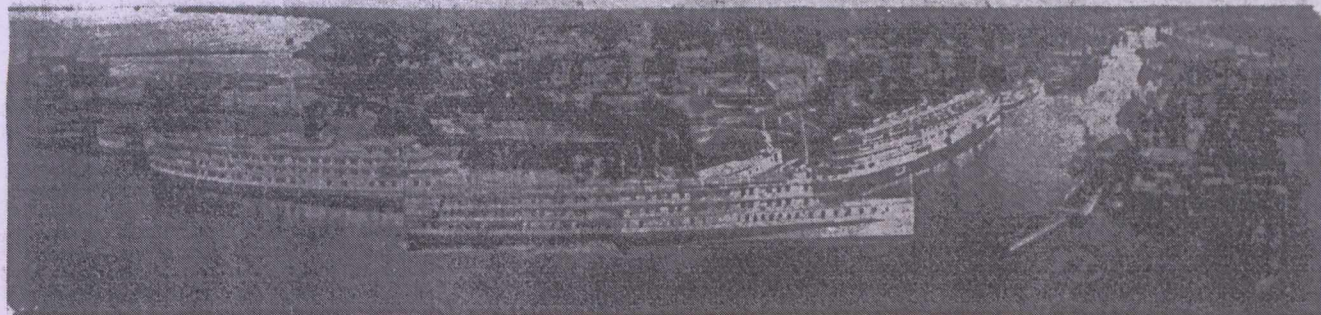
More Ships and Ship-Building.

The big plant of the Sorel Mechanical Shops Ltd. is located on King Street. This is a large firm of ship-builders, and manufacturers of marine engines and boilers and general shipping machinery and brass and gray iron foundries. Mr. A. A. Larocque is president of the business and Mr. P. A. Lavalley managing director, while Mr. William Noble is superintendent of the plant. This plant covers an area of some 115,000 square feet, and normally gives employment to some 250 men. Ships up to 250 feet in length have been built at it, so Mr. Lavalley told the writer, and all kinds of shipping machinery, including steam winches, cargo winches, warping winches, steering wheels, rudders, davits, propellers, steering engines, ash buckets, ash shoots, boilers, condensers, firebars, centrifugal circulating pumps and windlasses, are turned out from it. The plant has the great advantage of a large frontage of over 400 feet on the Richelieu river.

Marine Machinery and Necessities.

On Limoges Street is the plant of Beauchemin & Fils Ltd., of which Mr. Alfred Beauchemin is president, and Mr. L. P. Tremblay, secretary-treasurer. The business carried on there is that of producers of steel castings for locomotives and ship-building and steel foundries. Manganese, chrome and high carbon steel castings from 2½ lbs. to 20,000 lbs. can be produced at this plant, while castings for ships and dredges and ships' anchors are made a specialty. The plant covers a very big area and employs about 200 men. The output averages around 7,000 tons a year.

The firm of Beauchemin & Co., of which Mr. J. O. Pouliot is the head, has its plant on King Street, where it employs about 100 men.



Panoramic View of the Town of Sorel, Que.

—Photo by J. A. Desjardins.

This firm manufactures all kinds of machinery and executes marine repairs of all classes. It specializes in steering gears and windlasses and cargo winches and spring buffer.

Timber and Other Industries.

A firm of timber merchants and saw-mill proprietors in a big way of business is that of James Sheppard & Son, whose plant and mill are located on King Street. Mr. A. W. Sheppard is the proprietor and Mr. H. H. Sheppard the manager. Large stocks of timber for all purposes are always carried, and the business gives employment to about 100 men.

The fact that the Quebec, Montreal and Southern Counties Railway Company has its main repair shops at Sorel constitutes a very welcome addition to the industries of the place. Mr. A. L. Currie is the superintendent of these shops where about 100 men are employed.

On King Street the Patent Grates Company has a cast-iron foundry which gives employment to about 35 men. Mr. H. Hurtubise is the manager of this foundry.

At the Mausean Shipyards, on the St. Joseph de Sorel side of the Richelieu river, hauling, repairs and new constructions are undertaken. The employees number around 30, and Mr. A. Beaudet is the manager.

Mr. H. Beauge, general contractor and manufacturer of doors, sashes, etc., is putting up a new mill which should give employment to some 50 men.

The Loughborough Mining Company, which dresses mica and ships it, employs around 200 hands.

An old-established firm in Sorel, and one with a very high reputation, is that of Duhamel Freres, tanners and boot and shoe manufacturers. Mr. Philippe Duhamel is the president, Mr. Joseph Duhamel the vice-president, and Mr. Oscar Duhamel the secretary-treasurer of this concern which employs about 60 men and about 15 women and girls.

Firms in the Clothing Line.

The largest industries in Sorel being heavy ones, they naturally demand male help. But, fortunately, in order to bring about the necessary balance, as between male and female labor, there are in the city a number of other industries which afford employment to women and girls. For instance, there is on King Street the factory of the Firestone Clothing Company, of which Mr. F. Firestone is the proprietor. This company manufactures clothing and employs about 100 hands.

Then there is the Popular Shirt Company's factory on Queen Street, where shirts are manufactured and which employs around 200 hands. Mr. A. Langlois is the president, and Mr. Oscar Paradis, the secretary of this Company whose products enjoy a very enviable name for excellence.

A new plant in the clothing line is being put up and, in fact, is nearly completed, on Provost Street. This is the factory of the Co-operative Raincoat and Garment Company, which is a subsidiary of the Montreal Waterproof Company which, in its turn, is said to be the second largest concern of its kind in Canada. Mr. M. Cummings is the president. The Company has put up, on a lot where an old saw-mill formerly stood, a modern two-storey factory of brick with hardwood flooring throughout, with offices, a large boiler room and a fire-proof vault. The three last named are separate from the factory. The building has not yet been quite completed, but it has been found possible to start manufacturing. The Company expects to employ some 200 hands and means to devote special attention to the recreational side, by means of the provision of a room for amusements, and a library for its employees. The products will be waterproof clothing and English gabardines, and the expectation is that something like 1,000 garments a week will be turned out.

Pulp Mill Going Up.

Great interest is being taken in Sorel over the big pulp mill which is to be immediately erected on King Street. It is generally felt that the erection of this mill will prove a very valuable addition to the industries of the city which would be none the worse for an increase of diversification, from which viewpoint it is hoped that the establishment of this pulp mill will prove to be the forerunner of many other industries, the promoters of which, when selecting a place where in to locate, might well bethink themselves of Sorel. One understands that the mill in question will be built on the unit plan, and that some 250 persons will be employed in the first unit, and another 250 in the second unit and so on. Mr. J. H. Dansereau, of Montreal, is the power behind this project. It is believed that the building of the pulp mill will be followed, later, by the establishment of a paper

mill, and the idea naturally arouses enthusiasm in Sorel on account of the fact that this would mean the provision of remunerative employment for a very large number. The site for the erection of the pulp mill is believed to have been granted free.

Inducements to Locate in Sorel.

For the Sorel Board of Trade, of which Mr. Alfred Beauchemin is president and Mr. L. P. Tremblay secretary, is always willing, in concert with the municipal authorities, to do everything that is possible to smooth the path of any industries whereof the establishment in Sorel is contemplated. Tax exemption is granted in all such cases, and there is always a distinct possibility of the grant of free sites, of which many desirable ones are, one understands, available right now.

Labor is relatively cheap and abundant in Sorel while the fact that the majority of workers own the houses in which they live says much for its contentment and stability.

As regards transportation and shipping facilities, Sorel is served by the Quebec, Montreal and Southern Counties Railway, while the C. P. R. affords a service from Berthierville, which can be reached via the ferry, four times a day. Further, there is the service of the Canada Steamship Lines available.

The Sorel Light and Power Company, of which Mr. J. J. Lafreniere is president, Mr. Z. Courchesne secretary-treasurer, and Mr. Joseph Simard, general manager, not only lights the city admirably, but also supplies the electric power required by its various industries. As regards both service and price, this Company meets with a good deal of commendation from manufacturers and others. The power that it distributes is Shawinigan power, and the certainty of a continuity of service is not the least of the inducements which should appeal to manufacturers on the look-out for a desirable location.

A Solid Business City.

A place of good, sound, steady business is Sorel. Testimony to its solidity is to be found in the fact that, in the last quarter of a century, there has been no financial failure among Sorel store-keepers.

There are two firms of wholesale grocers in the city—that of C. Labelle & Co., which is, also a wholesale hardware concern, and which was established in the sixties, and that of Trempe & Fils. There are also two department stores, both on King Street,—one belonging to C. O. Paradis, and the other to D. Finlay & Son,—and both of them are up-to-date in every respect. The hotel accommodation is plentiful.

Sorel is governed municipally by a Mayor and six Aldermen. The present Mayor is Mr. W. G. Morgan, while Mr. J. G. Paulet is the city treasurer, and Mr. A. O. Cartier the city clerk. The gas and water are municipally owned. The municipal tax rate is \$1.50 per \$100 and the school rate, 60c per \$100.

Mr. P. J. A. Cardin, M.P., and Mr. Maurice Peloquin, M.P.P., represent Sorel in the Dominion House of Commons, and the Quebec Legislature respectively.

A Place with a History.

Sorel is a place with a historic interest. In the year 1642 the Fort of Richelieu was erected on the site where Sorel now stands by M. de Montmagny. This fort was demolished by the Indians, and, in 1665, it was reconstructed by M. de Saurel from whom the present city takes its name. In 1672, Louis XIV conceded to M. de Saurel the seigniorial rights and, in 1792, the burg of Saurel (as it then was) became a municipality under the name of William Henry. In 1848, the privilege of choosing municipal representatives was conferred upon it by Lord Elgin. Ten years later, it was lighted with gas. In 1860, a special charter was granted to it restoring its old name but spelling it **Sorel** instead of **Saurel**. The aqueduct was built in 1872, and, ten years later, the market was put up. In 1889, Sorel became a city.

Educational and Social Features.

There are two Catholic churches in Sorel—St. Peter and Notre Dame—and an Anglican church—Christ Church. There are both Catholic and Protestant elementary schools; the Convent Congregation Notre Dame; the Academie du Sacre Coeur; the Mount St. Bernard College; and the Hospital. There is also a night school of engineering in the city.

Banking facilities are furnished by three banks—Molsons Bank, the Banque d'Hochelaga and the Banque Nationale.

Boating, yachting and bathing—all these sports are freely indulged in at Sorel in the summer. There is a capital yacht club—the Club Nautique—with a first-rate club-house. The membership of this club numbers 150 and Mr. George Beauchemin is the Commodore.

SURVEY OF THE WEEK

To Curb the "Bears."

As a result of the break on the Montreal Stock Exchange last week, when steels, utilities, cottons, and the paper issues in particular, went down to new low levels, some of the largest brokerage firms in the city met to consider plans for the protection of stocks, and the prevention, as far as possible, of further impairment of values. While nothing was made public as to what transpired at this meeting, it is thought probable that some action was taken to restrict any short selling that may be in contemplation. The feeling is that stocks are already far below their intrinsic value in the vast majority of cases, and should not further be made a target for "bears."

Reduction of Current Loans.

The readjustment process which business has been undergoing in recent months, is reflected in the bank statement for November which has just been issued. Current loans show a reduction during the month of more than \$45,000,000, and this comes on top of a decline of \$12,000,000 in the month of October. This is all the more remarkable when it is considered that this reduction has taken place during a period when current loans ordinarily undergo a very considerable expansion, the increase in November last year, for instance, amounting to \$84,000,000. It will be seen, therefore, that the restriction of credit facilities has been very real and it would appear that the policy pursued is producing the desired effect. Savings deposits rose to a record level during the month, the gain being nearly \$21,000,000. Circulation declined by about \$15,000,000, compared with an increase of \$18,000,000 in October.

Easier Banking Conditions in 1921.

Business men are justified in feeling confident that the money situation in the United States in 1921 will be a very different matter from what it has been during 1920, says the President of the National Bank of Commerce. Certain specific factors are clearly recognizable as the chief adverse forces affecting bank credit during the past year, and there is every reason for believing they will not be so powerfully operative in the year to come. These facts sprang irresistibly from abnormal circumstances in the national life which are passing away. But at times their influence in impairing the efficiency of the credit machinery was so great as to cause serious anxiety. With the force of these influences modified, banking may expect to serve the needs of legitimate business with a less degree of credit strain than prevailed in 1920.

Conditions in Great Britain.

Mr. J. E. McFarlane, general manager of the Western Canada Flour Mills, Limited, of Toronto, who visited extensively in the United Kingdom during the past season, states that Great Britain is doing wonderfully well, thanks largely to the excellence of her financial system. As abroad, the crux of the situation in the United Kingdom was the labour problem. Labour would not work as before the war, and this development was the heaviest and most serious of the costs of production. In addition, the entrepreneur, or small business man, who forms the basis of the business community, was sharing the relaxation and lethargy of the wage earner. This is evidenced by the exaggerated and wasteful spending, by the looseness in business methods, and the casual disregard of future developments and possibilities.

Imperial Bank's New Building.

Work on the new Imperial Bank building, which is to be located on the northwest corner of King and Yonge streets, Toronto, is not likely to start before 1922. The high cost of building and tenants' leases of the present building, combine to prevent the immediate erection of the building, although the bank is cramped for space in its present quarters.

From a bank official it was learned that the new building, while it will be a large one, will not be a "skyscraper." Various office buildings in United States' cities have been inspected to find a type suitable for the size of the lot and the requirements of the bank. The chances are that the new building will be about the same size as the Dominion Bank building, on the southwest corner. At present the Grand Trunk Railway has a lease expiring in 1922 to their present premises, on the site of the proposed Imperial Bank building. Unless the Government should build a combined building for the Grand Trunk and the C. N. R., the G. T. R. is not likely to wish to vacate before the lease expires.

Trade Between Canada and Italy.

At the recent general meeting of the "Istituto Italiano per l'espansione Commerciale e Coloniale," of Venice, Italy, (The Italian Institute for the expansion of foreign and colonial trade), which is under the patronage of the Italian Government and the hon. presidency of H. E. Signor Luigi Lazzatti, it was stated that the work done by the Institute has been considerable and varied. Satisfactory inter-trade relations have been established and strengthened with many of the world's markets, much business has been done through the instrumentality of the Institute with the Near East, Egypt, Tunis, Morocco, Western Europe, Central and Southern America, the United States and Australia. Special mention is made of Canada where the Institute has been able to introduce many articles of much importance—chemical products, silk goods, furnishing fabrics, tapestries, preserved foods, perfumes, buttons of vegetable ivory, etc. The Italian Consulate General in Canada strongly recommends the Institute to all Canadian commercial classes interested in and desirous of establishing trade connections with Italy as an efficient, reliable and up-to-date source of information and intermediary.

Improved Supply of Bituminous Coal.

The situation in regard to supplies of bituminous coal in Canada has improved to such an extent within the past few weeks that it has been found possible to partially remove the embargo on exports of bituminous coal from Canada, and shipments under individual license will now be allowed from the Maritime Provinces. Unless some difficulties at present unforeseen should arise in the next couple of months, it is hoped by officials of the Railway Board that it will be unnecessary to again prohibit export of coal, but the necessity of securing a license for each shipment of coal out of the country will be a guard against any danger of shortage.

Cash Resources of U. S. Immigrants.

United States citizens coming into Canada to take up residence here are bringing considerable wealth with them, according to statistics of the Immigration Department. The amount of cash and the value of settlers' effects, in the eleven months ending November, aggregated \$17,519,033, and it is expected that another million at least will be added during this month.

To Establish Australian Credits Here.

Canadian exports to Australian, New Zealand and South African ports are still dropping, due to the restriction placed upon drafts on customers in these countries by Canadian banks, owing to the failure of the customers to establish credits in London against purchases.

Advices received in Toronto by manufacturing interests say the Dominion Government is now considering the question of allowing credits to be established by the Australian and New Zealand Governments to care for purchases in Canada. In the meantime Canadian shippers are endeavoring to have buyers in Australia and New Zealand establish credits in London to handle the business still being done.

Back to 1914 Prices.

The retail buyers have been making very light purchases this week, and as a consequence the wholesale trade has been very quiet. A prominent dry goods merchant made the statement that there was about fifty million dollars worth of dry goods in the hands of the wholesale trade in Canada at the present time, prices of which will have to be adjusted before they can make sales to the retail trade. It is reported that the retail trade will readjust their prices after the holiday season is over and that some of the big retailers in Canada are going to reprice all their stock, at prices prevailing in the year 1914, irrespective of cost. Some of the employees of the retail stores are in receipt of notices from their employers, that after the holiday season is over, salaries are to be readjusted.

Canadians Ask Payment Before Shipment.

A letter received from the office of the Canadian Trade Commissioner in Glasgow, Scotland, says: "Many inquiries have been received at this office regarding demands by Canadian firms to receive payment for goods before shipment from Canada. Importers here ask that thirty days be allowed after arrival of documents in Glasgow, in which to examine and pay for the goods, and this arrangement they consider to be quite reasonable, and willingly agreed to by countries other than Canada. It is the opinion in this market that the foregoing conditions are causing a big loss to Canadian trade."

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Abolition of the Luxury Tax

Why the Impost Was Unpopular and Unsatisfactory. — Substitute Measures that are Favored in Commercial Circles.

BY A STAFF CORRESPONDENT.

UNWEPT and unhonored, the Luxury Tax was, last week, abolished except in the case of a very few articles. The testimony of store keepers in Montreal is to the general effect that its abolition immediately gave an impetus to purchasing on the part of the general public. The method by which the tax was abolished—of the Government's own mere motion instead of by the decision of Parliament—excited a good deal of surprise. But that the tax was one which should have been abandoned, or, perhaps it would be more correct to say that it should never have been imposed, at any rate in the form it assumed, seems to be the very general opinion in commercial circles. The remarkable degree of disfavor which it has incurred is due, it appears, to three main reasons.

Difficult of Collection.

In the first place, it is notorious that the tax has been difficult of collection, and this difficulty has undoubtedly conduced to evasion, whether such evasion has, or has not, been as widespread as many who should, in the nature of things, be in some fair position to judge of the matter, maintain. In our whole system of taxation, the Luxury tax was the only impost that applied to the retailer, as such. Now, retailers are a very numerous class, and where very many persons are subject to a tax, a certain proportion of them are always certain to attempt to evade it. As a fact, the Luxury Tax was an easy one to evade.

It was evaded in two ways. On the one hand, certain retailers failed to collect the tax from their customers. If the tax was likely to spoil a good sale, it could be conveniently forgotten by some of them. On the other hand, a dishonest retailer, although he might collect the tax from the customer, could refrain from turning it in to the Government. In any event, the collection of the Luxury Tax, in any very busy season, such as Christmas, was found an almost intolerable nuisance by the retailer. The experience of one large retail firm in Montreal was that the mere additional accounting work necessitated by the Luxury Tax cost it \$70 a week, and this without including any overseeing expenses.

Bad for Business.

In the second place, the Luxury Tax undoubtedly proved—particularly as Christmas drew near—to have a very detrimental effect on business. The Minister of Finance, when he imposed the tax, had in view not only the provision of increased revenue, but also—and on this head he laid special emphasis—the checking of extravagance among the people. As regards the provision of increased revenue, the Luxury Tax has, for the last three months, brought into the coffers of the State something like \$900,000 a month. But, whatever effect the Luxury Tax may have had in check-

ing extravagance—and this must be largely problematical by reason of the unsatisfactoriness of an arbitrary decision as to what does, and what does not, constitute a "luxury"—there can be no question but that it has tended to depress retail trade and such depression has reacted on the manufacturer and his ability to keep the wheels of commerce turning and so provide work for his proper complement of employees.

The Luxury Tax was found, in operation, to have a curious psychological aspect about it. The retailer, when selling a commodity on which the tax was payable, could not include the tax in his selling price, but had to show it separately on a sales note. With regard to this psychological aspect, it has been found that, while a customer will pay, without demur, \$70 for an overcoat, if he is quoted \$60 as the overcoat's price and it is then found that he has to pay \$9 tax, in addition, he will, in many cases, decide not to buy.

Cost of Collection.

Thirdly, it is obvious that the cost of collection of the Luxury Tax, supposing it to have been effectively collected, must have been high, by reason of the large number of the retailers from whom it had to be collected. Of that large number, a considerable proportion are only accustomed to the keeping of books of account of an elementary or nebulous kind. In the case of such traders, it must obviously have been a matter of great difficulty for the Government officers, if they tried to sift the matter to the bottom, to ascertain whether or not the tax was being evaded.

To Take Its Place.

The Luxury Tax having been a-

bolished what will take its place? For the necessity for the provision of revenue still remains. The Government cannot impose a substitute tax by Order-in-Council. That is a matter for Parliament. In the meantime, various suggestions have been put forward by different commercial bodies.

For example, the Montreal Wholesale Dry Goods Association has proposed that the present Sales Tax should be increased by such a percentage as would provide sufficient additional revenue to equal the amount lost by the abolition of the Luxury Tax. At this point, it may be convenient to say a word or two as to this Sales Tax and the differences between it and the abolished Luxury Tax. The Sales Tax is one at the uniform rate of one per cent. on sales of manufacturers and wholesalers, and it is applied to all their sales. The Luxury Tax, on the other hand, was a tax collected, or supposed to be collected, by the retailer from the purchaser, at the time of sale of a commodity subject to the tax, and turned over by the former to the Dominion Government. It was not a tax of uniform amount, but was one of ten, fifteen and twenty per cent, on various lines of commodities above a certain amount in value, and one of fifty per cent, on articles of gold not specifically made subject to a tax of lesser amount.

Claim of Simplicity.

It is claimed for this proposal of the Montreal Wholesale Dry Goods Association to increase the present Sales Tax, in order to provide the revenue forfeited by the abandonment of the Luxury Tax, that it possesses the merit of simplicity. One knows, it is argued, what the present Sales Tax of one per cent, produces. Therefore, it is claimed, the amount of in-

crease in the Sales Tax necessary to provide the additional revenue required can be determined with almost mathematical accuracy. The trade and the public, it is further urged, are alike familiar with the Sales Tax, which levy is working satisfactorily, and there is no reason to believe it is being evaded.

A "Turnover" Tax.

Another alternative is sponsored by the Council of the Montreal Board of Trade. That body favors, in place of the abolished Luxury Tax and also of the Sales Tax, in its present form, what has become known as a Turnover, or General Sales Tax. This it proposes should be made applicable not only to the manufacturer and the wholesaler, but also to the retailer as well. It is to some such method as this, that it looks as though things are trending in the United States. Representative Mott, of New York, has introduced a bill in Congress providing for the repeal of the luxury taxes, excess profits taxes and practically all the excise taxes, and the substitution therefor of a tax of one per cent. on the turnover of all businesses, with exemption in the case of concerns where the sales do not exceed \$200 a month. In opposition to this alternative suggestion, it is argued, however, that such a Turnover Tax applicable to retailers would be open to one of the objections advanced to the late Luxury Tax, namely that it would be a matter of great difficulty to collect it, by reason of the considerable proportion of the smaller retailers who do not keep proper books of account.

Impetus To Buying.

"The abolition of the Luxury Tax," the head of a large retail house in Montreal told me, "is not going to work miracles. The public are holding off from buying largely because they are firmly persuaded that retail prices have not yet reached rock bottom. With the public in that mood, the Luxury Tax, while in operation, no doubt contributed to make the unwilling purchaser more unwilling still. Its removal certainly seemed to give an impetus to buying, particularly, perhaps, in the lines of jewellery, furs and clothing. At the same time, its removal coincided with the opening of the last week of Christmas shopping, when a considerable acceleration of purchasing was anyhow to be expected, even with the public in the mood mentioned. So it is difficult to estimate the extent to which the abolition of the Luxury Tax has resulted in increased purchasing. But, no doubt, it has helped considerably."

NEW YEAR TRAVEL.

Montreal — Sherbrooke.

The Montreal-Sherbrooke Service of the Grand Trunk Railway System provides a choice of convenient trains for New Year travellers. You may leave Montreal 8.30 a.m. and 8.20 p.m. daily and 4.16 p.m. daily, except Sunday. There is a parlor car on the 4.16 p.m. train. Returning, the traveller may leave Sherbrooke 3.15 a.m. and 3.00 p.m. daily and 8.05 a.m. daily except Sunday. The 3.15 a.m. train has a sleeping car for Montreal which is ready for occupancy at Sherbrooke at 10.00 p.m. the previous evening. The 3.00 p.m. train has cafe parlor car.

CONFECTIONERS ARE WROTH AT DISCRIMINATION.

According to Mr. C. J. Bodley, Secretary of the Confectionery, Biscuit and Chocolate Industries of Canada, the confectionery manufacturer's interest stated Mr. Bodley, "the confectionery manufacturers were ing most of the so-called luxury taxes. The Executive Committee of the association was in session in Toronto last week as the result of scores of letters and telegrams from members all over Canada, asking why candy should be placed in the same category as liquors and playing cards.

"So long as this form of taxation was considered necessary in national interest, stated Mr. Bodley, "the confectionery manufacturers were perfectly willing to take their medicine and do their share. Of course, like people in other lines, their business suffered through decreased sales, and this in turn necessitated staff reductions and lessened output, but if, as explained from Ottawa, one of the primary reasons for repealing the tax with respect to other commodities was the expectation it would stimulate buying and thus lead to increased factory employment, why was discrimination practised in the case of those who have been accustomed to earn their livelihood by making candy and dipping chocolates?"

Bank of Toronto's Annual Statement

Liquid Assets Stand at 48 per cent of the Liabilities — Profits Slightly Higher.

Another good banking exhibit was made public Wednesday, when the annual statement of the Bank of Toronto for the period ended November 30 last, was given out. Viewed in a general way, the showing made by the institution is along the lines of other banks reporting recently, and is particularly satisfactory with respect to the liquid position occupied at the end of the fiscal period. The other outstanding changes are indicative of the readjustment effected in Government finances during the year, and also reflect those in general commercial and industrial conditions during the period covered by the report.

Liquid assets held by the bank at the end of its year amounted to \$43,021,649, against liabilities to the public of \$89,655,015, the ratio working out at approximately 48 per cent., against slightly in excess of that figure in 1919, when the percentage was 51 per cent. Holdings of actual cash, on the other hand, totalling some 18½ millions, represented 20 per cent. of the institution's public liabilities, as compared with 16.4 per cent. last year.

The profit and loss account showed that the earnings for the twelve-monthly period amounted to \$1,017,371, a slight increase over the 1919 figures, which stood at \$1,011,359, but well in excess of the results in this respect in 1918, when the total was reported at \$844,402. With the addition of the balance carried forward from the 1919 statement, and after deducting the usual charges, almost entirely unchanged from a year ago, there remained a balance of \$986,354 to carry into the current year's accounts.

The withdrawal of demand deposits for employment in business channels synchronized with an increase of nearly 3 millions in current loans in Canada, which at the end of the year aggregated nearly 57 millions—some 6 millions under the bank's notice deposits. Call loans in the Dominion were reduced from \$3,536,542 to \$2,217,415, the reduction being more or less offset by a new item of \$1,000,000 in call loans outside of Canada.

TRAVEL THE NATIONAL WAY TO QUEBEC CITY.

Canadian National Railways night train to Quebec City via Quebec Bridge leaves Montreal (Bonaventure Station) 11.15 P.M. daily arrives Quebec (Palais Station) 6.15 A.M. Returning leaves Quebec (Palais Station) 11.55 P.M. and arrives Montreal (Bonaventure Station) 7.10 A.M.

Electric lighted slipping cars of most modern design are operated in each direction.

For further particulars apply to Ticket Agents, Canadian National-Grand Trunk Railways.

RUIN FOR POTATO GROWERS.

New Brunswick Farmers Say This Will be Effect of U. S. Emergency Tariff Bill.

The proposed high duties on potatoes shipped to the United States, if carried out, means a very serious situation for the Carleton county potato growers. The effect of such a step would be far-reaching and every branch of business would be hit hard. There are thousands of bushels of potatoes in Carleton county that cannot possibly be consumed in Canada, according to reports.

A. D. McCain, of Florenceville, who is a heavy shipper, endeavored to have the Minister of Customs make some move in the matter. The following telegrams were exchanged:

Mr. McCain wired as follows: "Hon. R. W. Wigmore, Ottawa — Newspaper reports state that an embargo or prohibitive tariff is about to be placed on the export of potatoes to the United States. If so, this means complete ruination to this county, as there are thousands of bushels to be shipped and there is no possible sale in Canada. Cannot some arrangement be made to stop this procedure? Must act quickly."

The Minister of Customs replied as

follows: "Your wire. Canadian Government not contemplating placing any restrictions on any export of potatoes to the United States.

(Signed) "R. W. Wigmore."

FARMERS' LOSSES GREATEST.

Bearing Undue Share of Deflation, Says Hon. F. C. Biggs.

"The farmer has had to accept the heaviest financial loss of any one class in the community during the past year," declared Hon. F. C. Biggs, Minister of Public Works for Ontario, in addressing a round-table conference of representative manufacturers, merchants, business men and labor representatives here tonight. "It may surprise you," continued Mr. Biggs, "to learn that the produce for which a farmer received one dollar a year ago now brings him 51 cents." The farmer who still had to pay peak prices for everything he bought, was bearing an undue proportion of the present deflation, Mr. Biggs said.

Citing his own case, Hon. Mr. Biggs said that last year he received 68 cents per pound for the wool that he sold; this year the price was 18 cents. Last year he sold rough cow hides at 22 cents per pound, this year the price was 5¼ and 6 cents.

Opposition to U. S. Wheat Tariff

Presentation of the Fordney Emergency Tariff Bill in the U. S. House of Representatives, was followed by expressions of open antagonism both in the House and Senate, although the House passed the bill, Wednesday, by a vote of 196 to 86. The opposition, hitherto manifest only to a slight extent, was intensified by the filing of minority views by Representative Rainey, Democrat, Illinois, scathingly denouncing the measure from beginning to end and by decision of the Senate Democratic steering committee to resist hasty enactment of any such legislation.

Chairman Fordney, of the House ways and means committee, in reporting the measure, urged action, not because it was perfect, but because it was the best obtainable under the circumstances. The report declared that remedial legislation was urgently necessary to correct a situation which was described as rapidly becoming worse and likely to bring ruin to the agricultural industry.

The filing of the committee's report disclosed that the measure had been made applicable for a period of ten months from passage instead of the one year period previously fixed. Chairman Fordney submitted with the report estimates of the Treasury Department showing that, on the basis of available import figures, approximately \$130,000,000 in revenue would be derived from the duties to be imposed under the measure. The commodities enumerated in the bill now produce less than \$5,000,000 annually.

As finally approved and reported to the House, the bill carries import

duties on commodities which, together with the rates agreed to in committee and the estimated revenue to come therefrom, follow:

| Commodity. | Proposed Duty. |
|---------------------------------------|----------------|
| Wheat | .30c bushel |
| Wheat flour | .20 per cent |
| Corn | .15c bushel |
| Beans | .2c pound |
| Peanuts, shelled | .3c pound |
| Peanuts, unshelled | .3c pound |
| Potatoes | .25c bushel |
| Onions | .40c bushel |
| Rice, cleaned | .2c pound |
| Rice, uncleaned | .1¼c pound |
| Flour, meat and broken rice. ½c pound | |
| Rice, unhulled | ¾c pound |
| Lemons | 1½c pound |
| Oils, peanut | .26c gallon |
| Oils, cottonseed | .20c gallon |
| Oils, soya bean | .20c gallon |
| Cattle | .30 per cent |
| Sheep | \$.2 a head |
| Lambs | \$.1 a head |
| Mutton and lamb | .2½c pound |
| Wool, unwashed | .15c pound |
| Wool, washed | .30c pound |
| Wool (manufactures of) | .45c pound |
| Wool, scoured | .45c pound |

On the voting in the ways and means committee two Republicans and four Democrats opposed the measure. The view taken by the opponents of the bill was that if tariff legislation was to be enacted it should include protection for manufactured commodities. This contention appeared to have gained some strength among representatives from the textile and other manufacturing districts and as was expected brought on a heated debate.

Bank of Commerce Highest Net Profits

Statement Shows no Signs of the Deflation Process — Decline in Securities Held.

The report of the Canadian Bank of Commerce just made public gives evidence of sound financing during the year. An appreciable increase in its cash assets, a general development of business, and a net profit for the year of roughly a quarter of a million in excess of last year can certainly be considered a highly satisfactory showing.

Splendid as this showing is, there is no question that were it not for the broad outlook of the management, who have provided for future business at the cost of present revenue, the showing might for the time at least have been still better. But even at that, when after paying a bonus of 1 per cent. in addition to the regular payment of 12 per cent on stock, the bank is able to carry forward \$1,783,979, or \$356,244, more than last year, a record of which the Executive may well feel proud.

In addition, the bank has written off \$500,000 on bank premises, an amount double that of last year, thus bearing this year a very heavy part of the cost of increasing its business. There has also been set aside 150,000 for the pension fund to provide for the increase in the number of its officers.

In the general business of the bank, as shown in the statement, there is no department that stands out as sharply as that dealing with current loans in Canada. This item has reached the surprising figure of \$231,114,772 as against \$213,189,170 last year, a development in strictly Canadian business of nearly eighteen million dollars. This is only one of the indications of the fact that the bank is following a very definite policy of doing all in its power to facilitate Canadian manufacturing and agricultural interests.

Another notable fact presented in the statement is a material increase in cash assets. These assets represented by specie and Dominion notes show an increase of \$4,519,215. The item of cheques on other banks also shows a very material advance, one indeed that totals over eleven million. These are some of the factors that show the strength of its position.

An interesting sidelight, that is also indicative of the general confidence in the bank is the increase in interest-bearing deposits. These have increased from last year's figures of \$241,916,674, to the present figures of \$285,065,493 an increase of something over forty-three millions. This is the most surprising showing in the face of the many loan issues of recent date.

The decrease in demand deposits is directly traceable to the cessation of war financing by the Dominion Government as a year ago very large sums were held by the Banks as a result of the last Victory Loan Campaign.

About Things in General

What Is a German Mark Really Worth?

Analysis in Wall Street Magazine
Fixes its Present Value at One-Fifth of an American Cent.

Let us assume that the pre-war honest-to-goodness old mark was worth 23.8 cents. We must assume it, because the entire world accepted this valuation.

Every one knows that all the nations have increased their supply of currency since the war started, and that an increase in the currency without a corresponding expansion in production and exports means "inflation". Inflation really means a lessening of the buying power of money, because there is more money to go round, while commodities and production decrease in proportion. Consequently, it takes more money than before to buy a given quantity of anything, from sugar to coal, down to stocks and labor, and seemingly the latter must all go up. That gives the "inflated" country an air of prosperity, because every one gets more money to spend, wages are higher, and everything seems to have a tremendous value—that is to say, in terms of the inflated currency.

The principal balloonists of Europe so far as their currency is concerned, have been Russia and Germany. Most people, even "the man in the street," know the lack of value behind the Russian ruble, and those who wish to gamble in it are probably prepared to lose—as they almost surely will. But, the German "mark" has the prestige of a more organized and powerful nation behind it; a nation that is going to have the business and moral support of a dozen other nations because of their financial interest.

Employing simple arithmetic, the writer learns that the German Empire has multiplied its currency sixty-fold since the war began in August, 1914. The value of the pre-war mark was maintained by the simple expedient of stabilizing it by a large gold reserve; in other words, "pegging it" by purchases in new gold where the supply exceeded the demand. Big nations were always anxious to have their coinage have a standard fixed value, and they were careful to maintain a proper ratio of gold to paper currency. In plain language, each bill was really gold-lined by stocks of gold held in national treasuries, banks and other repositories of national wealth.

What happened to Germany's huge stock of gold behind its pre-war money—which was then real money—is easily accounted for by the demands of war. Gold was and is the one stable means of purchasing in any country and from any one. This reserve was undoubtedly drawn upon from time to time, until at present the stock is undoubtedly negligible in relation to the paper called "marks" that is outstanding against it.

FRAUDULENT FAILURES.

F. W. Stewart, Jos. Daoust and H. W. Austin, the trustees of the Fraudulent Failure Fund of the Merchant's Association, of Montreal, held a conference with the manager of the association, Mr. J. J. Fitzgerald, last week, and plans were outlined and the manager was given the necessary authorization to take vigorous action in connection with all cases of fraudulent failures brought to the attention of the association.

In other words, in place of a silver coin that had a standard of weight and fineness, backed by gold in national vaults, the mark is a proper token of debt, expanded sixty-fold, and with a mere trace of its former golden backing. It is doubtful if a hairline drawn on all the 1,000-mark bills in existence would show the gold applicable to any bill.

In the absence of official figures, it is conservative to figure the very modest loss of only one-half of Germany's gold reserves against its former currency. This cuts the intrinsic value in half, or a shrinkage of 11.9 cents, and we must forget the old par value of 23.8 cents until all the lost gold is replaced.

On top of this comes a sixty-fold increase in the amount of marks outstanding, without any corresponding increase in gold, wealth, commodities, territory or any "tangibles" to offset this inflation. Simple arithmetic demands the elimination of hopes; so dividing our depreciated 11.9 cent mark by 60, we set the new figure of .198 as its new value.

If our arithmetic is only approximately correct, and I believe I am very conservative in figuring these values, then the buyer of currency should be getting between 7½ to 10 marks instead of 1 mark for each 1½-2 cents he now lays out.—Victor de Villiers in The Magazine of Wall Street.

TO STABILIZE EXCHANGE IN BRITAIN.

The Daily Chronicle's political correspondent says: "The British Government contemplates a measure next session to try to stabilize exchanges, Sir R. Horne is now conferring with representative men on the subject. The intention is that the measure should in no sense be one of protection. At the same time its effect no doubt would be to restrict, during a temporary period, imports of goods from countries where exchange is much down as in Germany or Austria. "One suggestion which is being examined is that the value of the goods imported from such countries should be priced at the pre-war value of their currency."

TWENTY-FOUR MORE CANADIAN SHIPS.

During the month of October twenty-one wooden vessels were added to the Canadian registry, as against three steel steam vessels. The 21 vessels, however, had a total gross tonnage of only 3,837 and net tonnage of 2,169, and comprised eleven sailing vessels of 1,614 gross tonnage, three steam vessels of 2,075 gross tons, and seven gas vessels of 148 gross tonnage. The three steel vessels had a gross tonnage of 14,248 and a net tonnage of 8,770, and all were built at ports in Canada.

The wooden vessels built in Canada of those added to the registry in October included six sailing vessels, two steam vessels of a total gross tonnage of 247, and five gas vessels. There were purchased from foreigners five sailing vessels, one gas vessel and one steam vessel of 1,829 gross tonnage.

The process goes on of eliminating from the registry vessels that have disappeared from actual participation in the business of the country for years. In October there were removed from the registry 57 sailing vessels of a total gross tonnage of 3,912, 31 steam vessels of 1,741 gross tons, and 16 gas vessels of 152 gross tons.

CANADA'S TRADE WITH GERMANY

If Germany is dumping quantities of goods of pre-war manufacture upon Canada there is no indication of it in the figures of direct trade. In the six months ended October 1st, the latest figures tabulated, imports from Germany totalled only \$553,181, made up mainly of dressed skins, muriate of potash and cotton fabrics with a wide range of other articles totalling small amounts. Toys and musical instruments which used to come extensively from Germany and Austria are not arriving this year. The two articles together make up only \$7,760 in the imports. It is suggested however that German-made goods may be shipped to England and re-shipped under the British Preference but it is very difficult to check this.

ALL THAT GERMANY CAN PAY

Payment by Germany of 100,000,000,000 marks in gold remains the basis upon which experts and delegates to the second financial conference, in session at Brussels, are working. This amount, although far below what was authorized by the Treaty of Versailles is considered by them collectable only on condition that Germany is helped along the lines suggested by the German delegates. Allied experts in secret individual reports, the substance of which has come to light, recognize Germany's real necessities, and delegates generally are impressed by arguments that Germany is an insolvent creditor who must be maintained as a going concern.

Montreal Harbor Shipping Figures

Actual Importance of Traffic Greater than that of Last Year.

Statistics just compiled by the Montreal Harbor Commission for the navigation season of this year show that the total number of trans-Atlantic ships which came into port was 638, a drop as compared with the total of last year, which was 702. But the tonnage this year totalled 2,020,519, as against 2,041,638 in 1919, indicating that the ships coming up the St. Lawrence this year were of greater size, so that the decreased tonnage was only a matter of 21,119 tons, or the equal of one trans-Atlantic liner. Further, the actual importance in the port's traffic was greater than of last year, since the total number of ships arriving here last year included in the 702 vessels, 229 ships built for the United States Shipping Board, with 120 of these same ships this year. As these vessels only came down from the Great Lakes en passage to New York with local cargoes for delivery to the U.S. Shipping Board, they are scarcely to be counted in the regular shipping traffic of the St. Lawrence. If, then, these are deducted from the totals, the number of commercial ships for this year would be 518, as against 473 for last year, while the total tonnage for this season would be 1,796,664, as against 1, 657,083 tons in 1919.

Passenger traffic was brisk this year, but last year it was exceptional, owing to the fact that the work of repatriation of the troops was still in progress. In commerce also, in 1919, there were still various Government war contracts for food and other commodities in progress, which also helped to render traffic that season more than normal. The figures, for 1920 represent what may be regarded as the normal after-the-war traffic.

PIPE LINE FOR MACKENZIE RIVER OIL.

Conveyance of the oil products of the Mackenzie River basin to Behring Sea by pipe line, from whence it would be carried by tankers to the markets of the world, is an ambitious project for which sanction will be sought by a bill to be considered by Parliament at the approaching session. The proposed pipe line would be laid from the Mackenzie river to the Yukon river systems by way of Rat river and Bell river, thence by the Porcupine and Yukon rivers to salt water.

Dr. Alfred Thompson, member of Parliament for the Yukon states that the late William Ogilvie, at one time commissioner of the Yukon Territory, predicted a good many years ago that this method of getting oil from the Mackenzie river basin to the market would some day be adopted. Mr. Ogilvie's first mention of the matter was made in a report on McDougall Pass, written in 1887.

Wayagamack Has Doubled Earnings

Advantage Being Taken of Situation to Add to Timber Limits and Plant Production.

The achievement of Wayagamack Pulp and Paper Company during the past few years is strikingly shown in the annual report to November 30. An analysis would indicate taking advantage of prosperous conditions to place the company in a strong position both from the standpoint of limits and financing.

The market conditions under which the company operated during the past year have evidently been of a most favorable character, as without any addition to plant, the earnings have more than doubled as compared with the previous year. Advantage is now being taken of this situation to carry out additional financing, with a view of adding both to the company's holdings of limits and to plant production.

The profit and loss account shows that the gross income for the year amounted to \$2,152,707, as compared with \$1,103,687 in the previous year. The net earnings were \$1,108,807, equivalent to 22.17 per cent on the outstanding common stock and compare with \$551,587, equal to 11.03 per cent last year.

The general statement of assets and liabilities also shows some interesting changes, representing the very much larger business which the company is now handling. Total current assets now stand at \$4,445,627 and compare with \$2,652,253. These compare with current liabilities of \$2,337,173, against \$585,095 a year ago. The current assets and current liabilities represent in particular the large addition of materials on hand and the temporary financial arrangements which have been effected to provide for their purchase, in anticipation of additional financing which will be carried out by the shareholders of the company.

In inventories, the pulpwood, logs and lumber holdings stand at \$1,751,884, compared with \$722,694; stores chemicals, and fuels \$1,071,950, up from \$303,577; logging expenses season 1920-21 \$531,667; against \$417,528. In current liabilities, accounts payable stand at \$937,836, up from \$510,095. This year there also appears bills payable, including payments on account of limits \$240,500, and bank loans current for purchase of limits \$600,000, against the purchase made during the course of the year. Reserve for war taxes 1919-20 amounted to \$413,837.

In the statement of fixed assets the company also makes provision for the expenditures made in the different departments during the course of the year and buildings, plant, machinery, etc. stand at \$3,132,065, to which was added expenditure during the year of \$530,995, making a total of \$3,663,061. Property limits, real estate, etc., total \$5,890,925, and expenditure during the year \$726,126, making a total of \$6,617,051, from which was deducted for stumpage \$279,900, leaving a total of \$6,319,151, against \$5,890,925 a year ago.

CANADA WILL FIGHT INIMICAL LEGISLATION

"The question of a high protective tariff on goods entering the United States has not been thrown into the Canadian arena yet," remarked Senator Sir James Loughheed upon his arrival at Calgary, last week, "but it is not likely that we will lie down and take legislation inimical to the interest of Canada."

Sir James appeared to be very emphatic in making the statement, although, in reply to a question as to what the general feeling in Ottawa was on the subject, he remarked that the Government was not at the moment concerning itself about it. There will be the time for this," he added, "when the United States enacts any such legislation. It is known, however, that the Republican party will seek a high tariff policy, and it would not come as a surprise to see legislation passed along those lines as far as Canadian imports to the States are concerned."

Throw Cold Water On Wheat Pool

Cooperative Elevator Co. Official Sees Little Prospect of Its Success.

The proposed voluntary pool for wheat marketing is meeting with a good deal of criticism in Saskatchewan, and the proposal to pledge the farmers to a five year guarantee to market through the pool is, in the opinion of many experts, chimerical.

Some surprise is expressed that even officials of the Saskatchewan Co-operative Elevator Co. throw cold water on the scheme. Ronald McRae of that company, addressing the Regina local of the Saskatchewan Grain Growers' Association, said the farmers might destroy the marketing agencies they had built up unless they were careful to avoid impracticable schemes. It would be impossible to sign up 60 per cent. of the farmers without securing the assent of many who were long distances from co-operative elevator facilities, and would have to load over platforms. "How," he asked, "could these farmers be penalized for selling to others?"

Mr. McRae also urged that the farmers could not have the measure of control wielded by the Wheat Board, an institution, he said, "that was the first body ever able to control the C. P. R." He did not think there was much speculation being done at present, but there was something worse in the way of market manipulation. This was what made the Government's refusal to continue the Wheat Board such a serious matter.

Spread the Jobless Throughout Empire

Lloyd George's Proposal Does Not Seem to be Received with Favor at Ottawa.

The Canadian Government's attitude to Premier Lloyd George's proposal of emigration from the British Isles to the overseas Dominions, as remedy for the grave conditions of unemployment in the Old Country, will be considered officially only when the matter is broached in that way, according to a despatch from Ottawa. The prospect of such wholesale immigration is not regarded at all with favor, however.

As far as farmers, farm laborers and female domestics are concerned the door is open, assuming that those coming under such heads apply themselves strictly to those lines when they get here. With regard to labor generally, skilled and unskilled, it is very apparent that the situation already is acute. Canada's unemployment problem as it is, is rather extensive and any policy likely to intensify it would naturally enlist no support.

If a conference of Premiers is held in London in the spring, and successive announcements as to whether it will be held are conflicting, the whole question will come up, and meanwhile or whenever the question is broached, the Government's official attitude will be determined.

At present, however, the whole disposition is to invite the coming only of people for the land or for domestic service and to discourage others.

LUXURY TAX BORE HEAVILY ON MOTOR INDUSTRY.

The General Motors of Canada, Oshawa, commenting on the abolition of the luxury tax, says: "This tax bore excessively heavily on the automobile industry, for the reason that it was placed at such a high rate. It has been a very strong factor in defeating its own ends for that very reason. A reasonable tax spread over a large variety of commodities is bound to produce in the long run more revenue than an excessive tax placed upon a few commodities. Ever since these taxes were increased to 17 and 22 per cent. on the invoice price of goods we have noticed a perceptible slackening in trade. At first, of course, it was gradual, owing to the high prices of everything. At the same time it was none the less real, and for the past few months it has acted as a very heavy weight upon the automobile industries of Canada. We are doing everything possible, and have been for some time, to stimulate trade in order that we might take on a greater staff of workmen, and this action of the Government, we believe, will ultimately be of very great assistance in restoring the automobile trade in Canada to a normal and legitimate basis."

Export Trade From Canada is Growing

Increase of \$100,000,000 in Six Months — Handicapped by Conditions in Europe.

Canadian export trade is enjoying a period of healthy expansion, and is being aggressively but wisely solicited by Canadian manufacturers, according to a statement issued by Mr. Alex. Marshall, manager of the Commercial Intelligence Department of the Canadian Manufacturers' Association, who emphatically denies recent statements that our industries have shown slackness in going after this trade. He stated that in the two years since the armistice there has been more money spent by Canadian manufacturers in endeavoring to develop export trade than in any ten years previous to the war. Manufacturers who are now doing a considerable amount of export trade easily exceed a thousand, while before the war there were only between two or three hundred.

"The basis for all good export trade," he added, "is the ability of the customer to pay. It should be remembered in discussing export possibilities with Europe, whose financial and business conditions are more or less stable, that it is practically suicidal for individual companies in Canada to attempt to trade with individual companies in these countries. The adverse exchange rate in the case of Great Britain and France has seriously diminished Canada's exports to these countries, but leaving them out of the comparison, in the six months ending September, Canada's exports to the British Empire have increased over last year's period by \$23,000,000, while her exports to foreign countries are \$77,000,000 better than in the six months ending September 30, 1919.

COMMERCE BOARD TO BE REVIVED?

The Canadian Board of Commerce is to be continued, not scrapped, according to a news item in the Ottawa Citizen, last week, which says the item has been given out on good authority. The item continues:

"As already announced, no steps will be taken in connection with reviving the now dormant body till after the decision of the Imperial Privy Council as to the legal status of the board.

"However, that decision is expected either before Parliament meets, or shortly after the session is called.

"It is the present intention of the Government to reorganize the Board of Commerce, recast the act under which it was created and bring it within the scope of the Imperial Privy Council's decision, no matter what that decision may be. Should the Privy Council decide that the board had a legal status, as at present constituted, it is understood that the Government will in any case recast the act by which it functions.

"The nature of the proposed changes, however, has not yet been divulged."

NEWFOUNDLAND FAILURES.

According to a report received from Mr. W. B. Nicholson, Canadian Government Trade Commissioner at St. John's, Newfoundland, some forty-five failures have occurred in Newfoundland in the period between October 21, 1919, and October 28, 1920. The assets of thirty-eight of these firms are given at \$167,735, and their liabilities at \$541,181, and of the others, details are not given. Since the close of the period above referred to, three large firms with liabilities said to total well over \$1,000,000 and a number of smaller firms, have filed petitions for liquidation. The business outlook is regarded as gloomy and there are no indications that it will in the near future grow much brighter.

WAITING FOR BROMPTON'S.

Interesting at this time will be the publication of the Brompton Pulp & Paper's annual financial statement, which is due to appear soon, not only in that it will show the earnings up to the end of October of a member of a much-discussed group of industries, but in reference to the securities on the local Stock Exchange. At the low price last week, the stock sold at \$42.50 a share, which, with a dividend of 7 per cent., yields 16.77 per cent. Such a high yield would indicate fear of the dividend. The publication of the statement should determine whether or not there were any justification for such fear. Rough figures of Brompton's and its subsidiaries' earnings for the year indicate that the dividend will be safely earned.

NOVEMBER FIRE LOSSES.

Damage for Month Amounted to Over Two Millions.

Canadian fire losses in November amounted to \$2,086,500, excluding instances where the damages amounted to less than \$10,000, which would probably add at least 15 per cent. to the amount. November fires included the following: Winnipeg, leather goods warehouse, \$400,000; Vancouver, barracks, commissary and office, \$25,000; Kincardine, evaporator and hotel, \$19,000; Hamilton, ice cream cone factory, \$145,000; Belleville, motion picture theatre, bank, cafe, \$25,000; Bridgeburg, general store and dwelling, \$10,000; Quebec, Que., stores \$500,000; Vancouver, steamship, \$200,000; Toronto, barns, \$15,000; Calabogie, Ont., mine warehouse, packing room and graphite, \$30,000; Parrsboro', N.S., business block, \$35,000; Ottawa, lodge hall, \$24,000; Montreal, business building, \$50,000; Montreal, dance hall \$50,000; Sydney, N.S., department store, \$50,000; Moncton, N.B., sample rooms, \$18,000; Hamilton, drug store and cafe, \$12,000; Montreal printing plant, \$65,000; Gravenhurst, hospital, \$150,000; Montreal, chocolate factory, \$38,500; Montreal, garage and automobiles, \$30,000; Kenora, municipal offices, etc., \$12,000; Brantford, power house, \$60,000; Rimouski, Que., garage and automobiles, \$25,000; Montreal clothing store, \$95,000.

Life Assurance in Canada

Sketch of its Rise and Progress from Small Beginnings to Present Large Dimensions.

By T. B. MACAULAY.

(Concluded from Last Issue.)

The Confederation Life dates from the same year. I understand that the name mentioned in the application for the charter was the Dominion Life, but the members of parliament of the new Dominion were so afraid the public might suppose there was some connection between the company and the government that they changed the name to the Confederation Life. Its founder, Mr. J. K. Macdonald, has been for just about half a century an outstanding figure in Canadian life assurance, being now the last of the grand old pioneers. He holds a unique and outstanding position in several departments of Canadian life, and has been repeatedly honored by his fellow-countrymen, whose respect and good-will he enjoys to a very marked degree. Now in his eighty-fourth year, his activity would put many a young man to shame. Some years ago he retired from the active management of his company, which passed to the shoulders of his able and popular nephew, Brigadier General W. C. Macdonald. The tragic death of this gentleman, however, not merely shocked and grieved us all, but compelled Mr. Macdonald to resume the management. We are happy to know that he is still the active president of the Company, paying particular attention to the Investment Department. With him are now associated his son and nephew. I understand that policy No. 1 in the Confederation, taken out in 1871, forty-nine years ago, is on the life of Mr. Macdonald, and is of course still in force. Long may our friend be spared to enjoy the honor and comfort which he has so well earned.

Early Records.

When these newly organized companies began to compete for their share of business in 1871, the Canada Life had in force slightly over five thousand policies, covering a little more than eight million dollars of assurances. In those days, however, these figures appeared very large. The company had behind it twenty-four years of prosperous business life, and its prestige was indeed great. Its assets of a million and a quarter dollars were considered enormous for Canada, and it had a record for large profits such as few companies anywhere have been able to sustain. Canadians were, and are, rightly proud of their pioneer company, which has now however grown to a size and strength which would make the men of 1871 gasp with astonishment.

Continuing the history of the Canada Life: On the death of its founder, Mr. Baker, in 1859, the Board

of Directors sent a deputation to the Old Country to select a successor who would possess the advantage of training in the Head Office of some British company. Their choice fell on Mr. A. G. Ramsay, at that time connected with the Scottish Amicable Life. I was privileged some time ago to read the interesting correspondence which these representatives of the Board had with Mr. Ramsay, which led to his becoming Manager of the Company, and ultimately, in 1875, its President. After twenty-six years of arduous service, Mr. Ramsay retired in January 1900, on a liberal and well-earned pension, which he enjoyed for many years. He was succeeded by Senator Geo. A. Cox, one of the most forceful and enterprising men Canada has produced. He had been connected with the company for over thirty years before assuming the presidency. He, in turn, was succeeded by his son, Mr. E. W. Cox, whose career was cut short by death after but one year of office, his successor being our friend, his brother, Mr. H. C. Cox, president of the company at the present time.

Perhaps I may add, that, to those who remember the great part played by Mr. A. G. Ramsay in the development of the company, it is very pleasing to know that the name has not been allowed to drop out, for among those intimately associated with Mr. Cox, is Mr. Ramsay's grandson, another A. G. Ramsay.

The number of companies continued to increase. The London Life began as a provincial company in 1874, taking a Dominion license in 1885. The North American Life was founded in 1884, by the late Mr. William McCabe, with whom was associated Mr. Leopold Goldman, whom we are pleased to have with us, and who has long been the head of his company. The Temperance and General Life appeared in 1884, afterwards amalgamating with the Manufacturers Life, which began in 1887. These were followed in time by the Dominion, the Excelsior, the Great West, the Northern, the Imperial, and others.

As compared with the record at Confederation, of one company, with assurances of about four and a half millions, we have now twenty-four companies operating under Dominion license, with assurances in force at the present time (1920) of approximately \$1,650,000,000 within the Dominion, and \$2,000,000,000 if we include their foreign business.

A total of thirty-four Canadian companies have at various times been licensed by the Dominion In-

(Continued on page 12.)

HYDRO GOT BARGAIN.

Sir William Mackenzie, head of the electric companies which have sold out to the Ontario Hydro-Electric Power Commission and the city of Toronto, upon his return to Toronto from England, stated in an interview, that the least that should have been paid for the various plants was \$35,000,000, instead of \$32,735,000, the price finally agreed upon. Sir William, who went to England before the negotiations had been concluded and carried on a cable correspondence with Sir Adam Beck, chairman of the Hydro-Electric Power Commission, until the deal went through, paid a tribute to Sir Adam as a shrewd negotiator.

Sir William Mackenzie expressed the belief that it was in the city's interests to own and operate the Toronto Street Railway, which will be done at the expiry of the company's franchise next September, but he thought increased fares would have to be charged if the cost of labor and material did not come down to near pre-war figures.

TEN PER CENT DROP IN PASSENGER RATES.

Railway passengers rates throughout the Dominion will be reduced ten per cent. on New Year's Day. This is in accordance with the order issued by the board of Railway Commission on September 9, under which general increases were granted in passenger and freight rates. The order granted an increase in passenger rates of twenty per cent., applicable to the end of the present year. Afterwards until July 1, 1921, the increase was to be ten per cent. On July 1, passenger rates come back to the basis in effect prior to the coming into force of the order. There will be no reduction in the increase granted in parlor and sleeping cars rates and excess baggage.

With the end of the year also the general increase of 40 per cent. granted in eastern freight rates will drop to 35 per cent.; the increase of 35 per cent. in western freight rates will drop to 30 per cent.

INTERESTING FACTS REGARDING FOX RAISING.

Some interesting facts regarding fox farming are forthcoming from the Veterinary Director General, Dr. Torrance. In an article in The Agricultural Gazette of Canada for November he tells us that the main difficulty connected with the raising of foxes in captivity is the protecting of them from disease. It is noticeable that the female instead of giving birth to a litter of four or five at a time, as she does when free, rarely produces more than two, the average for the farm in Prince Edward Island being at the rate of one and a half. Individual fox ranchers, however, by care and improved methods do succeed in securing an increase of three or even four per pair. With a view to making this success more general, under the direction of Dr. Torrance, research work has been undertaken.

British Empire Steel Corporation, Ltd.

Modified Project will be Consumated.

By F. W. GRAY, Editor, Canadian Mining Journal.

The formation of British Empire Steel Corporation, Ltd., will not, it is understood, now proceed to final consummation as originally projected. The most important clause in the agreement for consolidation, which was approved by the directorates and shareholders of the Dominion Steel Corporation and the Nova Scotia Steel and Coal Company, was the provision, in Canadian funds, of twenty-five million dollars of new working capital. It was also part of the agreement that twenty million dollars of the new money was to be devoted to the development of the coal, iron-ore and limestone mines and quarries, and the steel-making and transportations operations of the two companies named in Nova Scotia.

The raising of the required sum, and its transference to Canada, has proved too difficult except at a ruinous discount in underwriting costs and exchange, and, also, the complexion of business has so changed since the project was mooted in the Spring as to make the flotation of stock issues in Britain more difficult than previously.

The attitude of the Street towards the securities of the constituent companies of the proposed consolidation has been as paradoxical and as little related to facts as that attitude usually is. When the idea first mooted it was used to "bear" the securities, and when it was evident that the project was about to fail of fulfillment, it was again regarded as a reason for selling the securities affected. It is difficult to see how both views can be accurate. One thing which is quite certain at this time is that the securities of the coal and steel companies concerned, both senior and junior securities, are selling far below their intrinsic value when the physical assets are reckoned up.

The proximate reason for the consolidation which was projected was the necessity, arising from technical reasons, for the operation of the coal and iron-ore areas of the Dominion Steel Corporation and the Nova Scotia Steel and Coal Company under single management. This primary and compelling reason still exists, but it has been much emphasized in the meantime by the advantages that have actually been experienced from close co-operation of the managements of the Dominion and Scotia companies, and reciprocal agreements with regard to the mining of abutting and intervening areas that have already led to increased production, lessened expenditures and the testing of areas that had been held out of operation by the exigencies of lease interference. The chief reason why the coal and iron-ore properties of the Dominion

and Scotia companies can be best worked under single management is that their division was an initial error. The system under which the coal areas of these two companies have been divided up has had the effect of sundering that which nature intended should remain one. The separation of the coal areas has lessened their value, and consolidation would increase their value. What is true of the coal areas in Cape Breton is equally true of the iron-ore areas at Wabana. The merged value of the properties of the Dominion and Scotia companies—to their shareholders and to the public and the Province of Nova Scotia—is greater than their sum when separately calculated.

The "Canadian Mining Journal" has taken the view from the first mention of the consolidation of the Dominion and Scotia properties, held the view before consolidation was mooted, and still maintains, that the proposal was above everything a measure of necessity and self-defence.

No matter what the course of the consolidation proposals may be, the fact remains, and will always remain, that the fullest and most profitable results from the properties and plants of the Dominion and Scotia companies will be missed and will remain unattainable until they are operated under single management.

So far as the interest of the Province of Nova Scotia is concerned, its Legislatures have already made it clear that no diminution of the productivity and profitableness of the coal areas owned by the Province will be allowed to occur through existing lease divisions, and power has been taken to make such corrections in lease allotments as may be found necessary to bring about thoroughly workmanlike and technically correct exploitation of the remaining unworked portion of the coal fields.

If the modified project, which is intimated may result from the abandonment of the original proposals, should include such users of steel products as the Halifax Shipyards and the nail factories in the Maritime Provinces, it would be a logical proceeding, and in line with a number of similar combinations that have taken place in Great Britain since the Armistice. All these projects have been the result of attempts to utilize the heat of coal fuel and its by-products, by disposition of major operations of steel manufacture so that coke-oven gases, blast-furnace gases, producer gases and every other product of the combustion of coal shall be utilized to the last pound of recoverable chemical compounds, and the last heat unit.

At this time, with the steel market depressed and demand suppressed, the excellence of coal as an asset and as a backlog to associated steel enterprises is manifest.

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The Journal of Commerce

Devoted to
CANADIAN INDUSTRY, COMMERCE
AND FINANCE

Published every Tuesday morning by the
Journal of Commerce Publishing
Company, Limited.

Editorial and Advertising Offices, Room 205
Drummond Building, St. Catherine and Peel
Streets, Montreal. Telephone: Uptown 7773.

Toronto Office: 1402 C.P.R. Bldg., Toronto. Tele-
phone: Adelaide 3310.

Vancouver Office: 528 Winch Building, Van-
couver.

Printed at the Garden City Press, Gardenvale,
P. Q. Telephone: 165 St. Anne's.

HON. W. S. FIELDING,
President and Editor-in-Chief.

Subscription price, \$3.00 a year
Advertising rates on application.

Gardenvale, P. Q., December 28, 1920.

Our Navy

If, as the world was often told, the great war was fought to end war, the world must be sadly disappointed, for at the very moment when the great peace instrument, the League of Nations, is getting fully into operation, preparations for war are everywhere prominent. Not only is there no sign of disarmament—for that we might be asked to wait patiently—but the principal nations are preparing new instruments of war. France is in her most warlike mood. There is much excuse for France, for she is next door neighbor to a nation which she believes will seize the first opportunity to attack again. Great Britain is making large appropriations for her naval service, yet not large enough to suit some influential sections of her people, who clamor for the construction of what are called "capital ships," even while her Admiralty question the value of such expensive vessels. Japan is spending much on the expansion of her navy. The United States has a large naval programme. When it is suggested that Great Britain and the United States should take a naval holiday, the American Secretary of the Navy answers that such a policy would be all right if the whole world would adopt it, well knowing, as he does, that in the present state of affairs there is nothing upon which the whole world can be brought to agree. Canada, too, has in some degree caught the naval fever. A small fleet of warships donated by the British Government—a couple of cruisers, a couple of destroyers and a couple of submarines—has arrived at Halifax and has been received with considerable ceremony.

The navy in all countries is usually a popular service. The blue jacket of the sailor seems to appeal to the imagination even more than the khaki of the soldier. We are all proud of the history and of the recent achievements of the British Navy. Canada is a maritime country, facing the ocean on both East and West sides, and consequently there are large sections of our people who are sure to feel a keen interest in naval affairs. Even in the inland districts our Navy Leagues have been laboring, not without success, for the creation of a naval spirit. The British Government's offer of these six ships as a free gift proved a temptation that our Government could not resist. A number of the officers of the ships are young Canadians, graduates of our naval college. All these circumstances serve to make the arrival of the fleet at Halifax an occasion for the manifestation of much interest in our Canadian Navy. And all these things are very gratifying—if Canada can afford them. The ships, as stated, cost us nothing. But their upkeep will be quite costly, and there will be more than a few people to ask whether this is not one of the luxury taxes of the time that might well have been postponed.

There is one striking feature of the situation that is not likely to be overlooked. It is now an accepted principle that whatever Canada is to do in naval affairs must be done along the lines of the policy laid down a few years ago by the former Government. The essence of that policy was that Canada should begin the creation of a small fleet, to be organized in co-operation with the British Admiralty, to be owned by Canada, to be controlled by the Canadian Government in peace time, and in war-time merged into the Imperial Navy. When that policy was devised it was bitterly attacked, and in one province the attacks played a considerable part in bringing about the defeat of the Government which had proposed the policy. When the Niobe and Rainbow were bought as training ships, and steps were taken to build several cruisers in Canada, these were contemptuously described as a "tinpot navy" by writers and speakers who are to-day gushing over the adoption of the same policy, which is being carried out under the very law that was then so broadly condemned.

Just how far Canada needs a navy now will be a question for debate, but there will be agreement that whatever is to be done must of necessity follow the lines of the much abused policy of 1910.

We have this little fleet as a free gift of the British Government and we are in honor bound to keep it up. But many thoughtful Canadians who appreciate the financial situation of the Dominion will feel that this line of outlay is one on which a close watch should be kept. The tendency of such operations is to expand; the tendency of such expenditure is to increase. Just now, in a period of business disturbance

that gives much ground for anxiety, when revenues are failing and taxes are increasing, when many works of urgency are denied the grants that they need, there will be an increasingly critical examination of our public expenditure, which will often lead to regret that Great Britain did not postpone her generous gift of ships until Canada was more in need of them and better able to provide for their maintenance.

Methods of Tariff Making

In the United States the process of tariff revision is usually a slow one. In Canada it is faster — or so much of it is as comes under the public eye. Here the Government — or, to be more exact, the Finance Minister representing the Government — does the preliminary work, announces the conclusions in the Budget Speech, and the new rates of duty take effect immediately. The duties are not at the moment legally enforceable, for the law has not been passed. But as, at the final stage of the movement, the law is made retroactive to the date of the Budget, nobody attempts to resist the immediate coming into operation of the duties when announced by the Minister.

In the United States the method of handling the tariff is entirely different. It is a boast of the American system of government that there is a distinct separation of the legislative and executive functions. The President and his cabinet have no part in tariff making. They may, by message or departmental report, make general recommendations as to any part of the nation's policy. But the work of preparing and promoting measures for tariff revision is undertaken primarily by the House Committee of Ways and Means. Individual members may introduce bills relating to the tariff, which are referred to the Committee, and unless approved by the Committee they get no further. There are usually long hearings before the Committee and much debate in Congress before the end is reached. In the final stage a future date is fixed upon which the new law shall come into effect. There is thus ample warning to the public who are placed in a position to adjust their business to the coming change.

The political revolution of the November election naturally opened the way to an early re-consideration of tariff policy. The present tariff, moderate in some respects and with a large free list, is the work of the Democratic party who have just been defeated. It was reasonable to expect that after the inauguration of a Republican President in March and the meeting of a new Congress in which the Republicans would be in control of both Houses, there would be a revival of the movement for protectionist legislation, and the slow process of tariff making would begin. No earlier movement was looked for. The old Congress, however, is still doing business and,

to the surprise of many, it has taken up the tariff question. There is an emergency, we are told, and therefore an emergency measure is proposed, in the enactment of which the ordinary methods of tariff making are disregarded.

U. S. Emergency Tariff Bill

The farmers of the United States, after several years of profitable business, have suddenly found themselves in a state of trouble. Their crops have been raised under all the conditions of high prices of labor, implements and supplies. When crop became ready for market there was a sharp fall in the price of most of their products. Many of them would like to hold their products for a better market which is hoped for. But the carrying over of large quantities of goods necessitates financial accommodation which the banks are unable to grant. In the North Western States many of the banks which have their resources locked up in this way have been obliged to close their doors.

A crisis has thus come to the agricultural interest, which is demanding assistance in some form. The protection of the American farmers against foreign competitors — especially against competitors from Canada, so near it hand — is one of the proposed remedies. An Emergency Tariff bill, to apply for ten months, has been rushed through the Ways and Means Committee of the House of Representatives, by a vote of 196 to 85. The bill proposes heavy duties on almost the whole list of agricultural products, duties which in some cases are higher even than those of the Republican tariff laws of former years. Party lines were considerably broken in the division. Some Republicans, avowed protectionists, held that tariff legislation should be left to the new Congress. Some Democrats, traditionally favorable to low tariffs, became alarmed by the complaints of the farmers and supported the Emergency Tariff bill.

There is thus a departure from the ordinarily slow process of tariff revision. But the first rush is over and the bill will now have to await more deliberate consideration. The Senate is not likely to be stampeded as the House has been. The parties in the Senate are pretty equally divided. The Republicans have a bare majority, if they have that. While there may be some break in the party lines, as there was in the House, the bolters from the Democratic standard are likely to be fewer, and in any case there will be enough opposition to the bill to oblige the promoters of it to be less hasty. The power of any considerable group of Senators to talk a measure out has more than once been exhibited. The authority of the present Congress ends on the 4th of March. The Republican leaders will find much difficulty in putting the bill through its various stages before that time.

In the end there is the President. It is hardly probable that Mr. Wilson will be willing, as one of the last acts of his Presidential career, to assent to a measure which is so much at variance with his principles. He is likely to veto the bill if it ever reaches him, and the supporters of the measure may not be strong enough to carry it over his veto.

Time is likely to favor the opponents of the measure. Indeed, the tone of the debate in the House did not indicate that the friends of the bill expected it to become law at this session. One Republican supporter frankly said he would not have voted for the bill if he had believed that it would pass the Senate. The desire to please the farmers is easy to understand. It is questionable, however, whether the measure, if enacted, would provide the relief that the farmers desire, and there are other interests which will make themselves felt when the subject is calmly considered. If the bill is to give the American farmer a higher price for his wheat, for example, he can only get it as the expense of the consumers, and any policy which aims at increasing or maintaining the high cost of living is not likely to find favor with the masses of the people.

Canada is much interested, as the American market is an important one to our farmers. It would be idle to think otherwise. The balance of trade between the United States and Canada is already largely in favor of our neighbors. Canada is one of their best customers. If in the face of that fact they undertake to virtually shut our products out of their markets, there will naturally arise on this side of the line a desire for retaliation. These things will not make for the good relations between the two countries that from every point of view are desirable.

The New Year

The condition of the world has been characterized as the mad dog world; as a terrible earthquake; as a wreck, the inevitable result of the world's greatest war; as a time when the age-long struggle between the material and the spiritual interpretation of human existence has come to a head; when self assertion has run riot and class consciousness becomes dominant.

That is one angle of view. Here is another by the eminent English Baptist divine, Rev. Dr. Clifford, who from his large knowledge, wide experience and devoted service, speaks with an insight, a vision that commands regard and confidence:

"My opinion is as keen as ever," he remarked in reference to his four score years and four, "but there is this difference. It becomes more incumbent to state the reasonable grounds on which our optimism is based. At the present juncture things are so chaotic and problems are so acute and overwhelming in magnitude that it is not surprising that

men yield to despondency and fail to maintain a mighty hope which the course of human life, from the beginning of the world until today, abundantly justifies.

"For the moment, and perhaps for two or three years, the difficulty of sincere and earnest men will be to maintain faith in the reality of the advances made in the world's life by righteousness, justice, freedom, goodwill and brotherhood. But, as Emerson says, the judgments of the days must be corrected by the judgments of the years and centuries.

"One needs to remember Burke's great saying, that the world is not ruled by force or even law, but by customs and habits of thought. One of the distinctive effects of the experiences through which we have been passing during the last six or seven years is that we are driven by circumstances out of the old grooves of thinking and feeling and raised to higher levels of idealism and aspiration. It may take us ten years to make evident this reality, but I do not bate a jot of faith or hope in the certainty that 1930 will find the human race very much further towards its predestined goal than we are in 1920."

Coleridge once remarked, that "experience is too often like the stern light of a ship; it illuminates only the path over which we have travelled, and it gives no enlightenment or guidance in the future; but the mark of wisdom is found in calling in the service of the past as an aid in treading the present and future."

As a nation the war tried the faith in ourselves. Our spirit of sacrifice and service and all were nobly vindicated. For the problems of today and tomorrow, the same principles abide and are guiding stars as we enter 1921.

The Prince of Wales, on his arrival in England from his recent tour, in his first speech made an appeal to the nation to "pull together"; and the justly proud father, the King, publicly paid a well-deserved tribute to his worthy son, "that as an ambassador of peace and goodwill, he had given of his best."

Another British ambassador, Sir Cecil Spring-Rice, just before he left Washington, and who died at Rideau Hall, Ottawa, wrote the following:

"I vow to thee, my country—all earthly things above—
Entire and whole and perfect, the service of my love,
The love that asks no question: the love that pays the price,
The love that makes undaunted the final sacrifice.
And there's another country, I've heard of long ago—
Most dear to them that love her, most great to them that know—
We may not count her armies: we may not see her King—
Her fortress is a faithful heart, her pride is suffering—
And soul by soul and silently her shining bounds increase,
Her ways are ways of gentleness and all her paths are Peace."

LIFE ASSURANCE IN CANADA

(Continued from page 8)

Department, but in the course of years nine have reassured or amalgamated, and one has liquidated. It is a matter of some pride to Canadians that no person has ever lost a dollar through the failure of any Canadian life office.

In addition several companies have been formed from time to time under provincial charter, but these as a rule have limited their activities to the confines of the particular province in which they were formed, and their operations have not been on a large scale.

The Canadians, however, have by no means had the field to themselves. Thirty to forty years ago the American companies were exceedingly active, and made a great impression on the character of Canadian life assurance. With the increasing competition from the Canadian companies, our American friends after a while showed a ten-

gradually taking their place as the international life assurance institutions of the world.

The total business in force in Canadian companies outside of Canada is now (1920) approximately \$350,000,000.

The Industrial business in force amounts (1920) to about \$300,000,000, and is divided between the Metropolitan, Prudential and London Life.

Life assurance exists for the purpose of relieving the distress which would otherwise result from the removal of the husband or father. All our activities, all our accumulations, are for the purpose of enabling the companies more extensively and more surely to perform this function. The extent to which the social life of Canada has been thus served may be seen by the following table:

PAYMENTS TO POLICYHOLDERS IN CANADA BY COMPANIES OPERATING UNDER DOMINION LICENSE.

| Year | Death Claims | Endowments | Payments | Total |
|------|---------------|-------------------------------------|---------------|----------------|
| 1869 | \$315,018. | (incomplete—only figures available) | | |
| 1879 | 818,698.72 | \$120,044.94 | \$364,736.15 | \$1,303,479.81 |
| 1889 | 2,080,496.45 | 424,513.83 | 950,899.28 | 3,455,909.56 |
| 1899 | 4,280,560.76 | 1,370,255.08 | 1,631,191.71 | 7,282,007.55 |
| 1909 | 6,993,172.20 | 3,033,152.99 | 4,035,005.41 | 14,061,330.69 |
| 1919 | 20,625,018.91 | 7,436,582.10 | 14,350,659.83 | 42,412,260.84 |

Approximately \$450,000,000 have already been thus distributed to policyholders and their representatives.

dency to somewhat neglect the field, but in more recent years some of them, the Industrial companies in particular have been extremely active. Among these, in order of ordinary business in force, come the Metropolitan, New York, Prudential, Travelers, Aetna and Equitable. The Equitable is at present withdrawing, but the other companies named show every indication of being more energetic than ever.

The limitations imposed by the comparative smallness of our population have been felt, and other parts of the Empire and of the United States and foreign fields have proved attractive. The Sun Life was the first Canadian office to venture abroad, taking that step in 1879. For over ten years it was alone in having outside branches, but it was then followed by the Canada, North American, Manufacturers, Confederation, and others. Ten of our companies are now doing business beyond the limits of the Dominion. These outside agencies extend to many parts of the world. With the exception of Australia and New Zealand there is hardly a part of the British Empire in which one or more of the Canadian companies is not operating, and the same may be said of the West Indies and the Spanish-American countries of South America. The partial withdrawal of the American companies from foreign business as a result of the Armstrong legislation, has left the field more open to the Canadian offices, which are

These figures are however a mere foretaste. I like to remember that it is but a question of time when the total sums assured by the companies will be paid out in death claims or endowments. It is true, unhappily, that some of the policies will lapse, but we can rejoice in the fact that lapses form a continuously diminishing percentage of the total, and in any case every policy thus cancelled is at once replaced by several new ones. Viewing the matter from a humanitarian standpoint, think what it will mean to have say two billions of dollars distributed among the population of Canada during possibly the next fifty years, to just the people who will need it, and at just the time when they will need it. There is a danger that we may become so absorbed in the commercial aspects of our calling that we may at times forget its vast social importance. If there is one business that can be said to approach the divine in its character, that business is ours. I often speak of it as philanthropy reduced to a business basis, and thus enabled to be carried out on a scale compared with which all our charitable efforts must of necessity be the veriest trifles. We have the honor of being connected with the noblest business on earth, which has already been a blessing to humanity beyond power of measurement, but which in the future is bound to be a factor of immeasurably greater magnitude in the relief of human misery and the uplifting of mankind.

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| Capital Paid-Up | 7,375,000 |
| Life Funds and Special Trust Funds | 99,147,565 |
| Total Annual Income Exceeds | 75,000,000 |
| Total Funds Exceed | 209,000,000 |
| Deposit with Dom. Government as at the 31st Dec. 1919. | 1,416,333 |

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Halbert J. Kerr, Assistant Mgr.

INSURING THE MOTIVE POWER

The object of Business Insurance is to insure the "Brains" of an organization. Knowledge, combined with administrative ability, is invaluable. Every business, large or small, depends primarily upon one or more experienced leaders. The death of any one of them would result in a heavy financial loss. There would be heavy going until the deceased official was replaced by someone of equal ability. The possession of a policy of insurance payable to the firm in the event of the death of such a leader is essential. Joint Policies payable on the death of the first partner, or (preferably) separate policies on the lives of the individual partners in favor of the survivors are issued by the Mutual Life of Canada. It will be the object of the Company to adapt each business policy to the particular requirements of the insuring firm. Consult our representative. He will be glad to advise you regarding business insurance.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA

Waterloo - Ontario
Hume Cronyn, M.P., President
Charles Ruby, General Manager

Dominion Textile Company, Limited

Manufacturers of
COTTON FABRICS

MONTREAL
TORONTO **WINNIPEG**

THE LAW UNION AND ROCK INSURANCE CO., LIMITED

OF LONDON
ASSETS EXCEED \$50,000,000
OVER \$10,000,000 INVESTED IN CANADA
FIRE & ACCIDENT RISKS ACCEPTED

Canadian Head Office:
277 Beaver Hall Hill, MONTREAL
Agents wanted in unrepresented to wns in Canada.
COLIN E. SWORD, Canadian Manager.
W. D. AIKEN, Supt. Accident Department

Union Assurance Society Limited

of London, England

FIRE INSURANCE, A.D. 1714
Canada Branch, Montreal:
T. L. MORRISEY, Resident Manager
North-West Branch, Winnipeg:
THOS. BRUCE, Branch Manager.
AGENCIES THROUGHOUT THE DOMINION

The Strathcona Fire Insurance Co.

Head Office: 90 St. James St.,
MONTREAL

NON TARIFF

Correspondence invited from Brokers and others able to introduce good fire business.

A. A. MONDOU, Pres. and Gen'l Mgr. J. MARCHAND, Secretary

THE CANADA LIFE ASSURANCE COMPANY

Established 1847

Home Office Toronto

Pulp and Paper News

CANADIAN TRADE CONDITIONS.

Christmas of 1920 finds a spirit of optimism pervading the Canadian paper industry generally although there is more or less uncertainty and speculation as to what the coming year is going to bring forth in respect to trade conditions. Leading authorities in pulp and paper circles admit their inability to pierce the veil that hides the future but are convinced that although the coming year may not see the unprecedented prosperity of the one just closing, the trade is going to remain healthy, if not extremely prosperous. This conviction is shared by manufacturer and jobber alike and while it is agreed that next year's prices will not retain their present level — and the opinion is prevalent that more normal prices all round would be better for the trade — the paper market is going to be well maintained and on a healthier basis. It is generally conceded that paper reached altogether too high a figure this year and that a fairly liberal trimming process could be carried on with advantage to the trade during the coming year. That lower prices will prevail next year is the conviction of most men in the trade but there is no indication of any very serious slump. Making due allowance for the optimism of the surveyors of advertising fields in Canada and the United States, who promise a bigger volume of business next year than ever before, it seems reasonable to assume that the demand for paper during 1921 is going to keep up and if there is going to be a market for the product the manufacturers are going to get a good price.

PULPWOOD FROM RUSSIA FOR UNITED STATES.

In the course of an interview given in New York last week just prior to his departure for Los Angeles, Washington D. Vanderlip, agent of the syndicate of Westerners interested in Siberian concessions, promised the publishers of America that they need never fear shortage of print paper if one of his many schemes works out. "I want to develop a pulpwood trade between the Murmansk district of northern Russia and the eastern seaboard of the United States," said Mr. Vanderlip. "Northern Russia has many hundreds of thousands of square miles of pulpwood easy of access to the sea and to deep water harbors, which can be loaded into American vessels and carried to the paper factories of the

eastern seaboard of the United States, these same vessels having carried to Russia cargoes of machinery and supplies purchased in the United States. This will prove a strong competition against Canadian pulpwood, now subject to high freights from Canada on the railroads. I have taken the matter up with one of the foremost publishers in the United States and he is very enthusiastic over the proposition. The traffic will be an all year round affair, as the Murmansk district is never icebound."

NEW YORK MARKETS.

The paper market continues devoid of feature Activity in the jobbing trade and at the mill centres is of narrow compass, and buyers are holding off to as great extent as in the recent past. In fact, demand for most kinds of paper is still receding, if anything, thus reflecting the gradual drawing near of the year-end and the holiday season. Mills in various parts of the country are devoting their major attention at the moment to compiling inventory and to making much-needed repairs to machinery, and while busy with these things, seem satisfied to let matters stand as they are and the market to follow its own course without any interference on their part. If the prevailing dullness was at any other period of the year the probabilities are manufacturers would exert more effort toward reviving interest among buyers or toward drumming up business in some fashion, but with such important matters as inventory and repairs occupying their time and attention it is not surprising that the average paper producer is pursuing a policy of aloofness.

DANSEREAU PULP & PAPER CO., SOREL.

The Dansereau Pulp and Paper located at Sorel, P. Que., will start building operations on their mills in the spring. Plans are now being projected and a survey is being taken of the site, which is on the south side of the Richelieu River.

Mr. J. H. Dansereau, of Montreal, is to be the President of the new company, which will have a capitalization of about \$5,000,000 privately subscribed.

The company hopes to commence operations in the fall of 1921, and will manufacture Mechanical Pulp for a year. A daily output of at least forty tons is expected, while the mills can handle eighty tons daily, working at full capacity. After a year, sulphite pulp will be manufactured and by the end of 1923 the company will be producing 100 tons of newsprint daily.

Abitibi Power & Paper Co., Limited

MONTREAL

NEWS PRINT

Ground Wood Pulp

Sulphite Pulp

The Nichols Chemical Co., Limited
Manufacturers of Heavy Chemicals
TORONTO and MONTREAL
WORKS: Sulphide, Ont.;
Capelton: Que.; Barnet, B.C.

APPOINT
Montreal Trust Co.
YOUR EXECUTOR
11 PLACE D'ARMES

Business Founded 1795
American Bank Note Company

Incorporated by Act of the Parliament of Canada

Engravers and Printers

Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents.
Head Office and Works: Ottawa.

Branches:—

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

St. Maurice Paper Company Limited

Head Office
522-524 Board of Trade Building
Montreal

MANUFACTURERS OF
NEWS PRINT, SULPHITE,
KRAFT, GROUNDWOOD
also Sawn & Dressed Lumber

Paper Mills,
Cape Madeleine, Que.

Lumber Mills,
Charlemagne, Montcalm,
St. Gabriel de Brandon,
Three Rivers.

The Spanish River Pulp and Paper Mills, Limited

Sault Ste. Marie - Ontario

Daily Capacity.

600 tons newsprint
480 tons groundwood
220 tons sulphite
35 tons board

MILLS AT—

Sault Ste. Marie, Ontario.
Espanola, Ontario.
Sturgeon Falls, Ontario.

Interlake Tissue Mills, Co., Ltd.

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

Head Office:

54-56 University Ave., Tel. Bldg.
TORONTO. Mills at Merritton

Cable Address
Price

Codes Used
A B C and Liebers

Price Brothers & Company, LIMITED

MANUFACTURERS OF

Spruce Lumber, Lath, Cedar Shingles, Ties,
Pulpwood, Sulphite and Groundwood
Pulp, Newspaper, Cardboard, &c.

QUEBEC

SAW MILLS:

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

PAPER AND PULP MILLS:

Kenogami Jonquiere Rimouski

Position of Exceptional Strength Reported by Royal Bank of Canada

In Annual Report to November 30, Bank Establishes New High Record in Point of Assets and Earnings. — Gain in Savings Deposits During Year Has Totalled over \$70,000,000.

The Royal Bank of Canada, in its annual statement for the fiscal year ending November 30th, discloses a position of exceptional strength and at the same time establishes a new high record for a Canadian bank in point of assets and earnings, by reporting total assets of \$594,670,013 and earnings of \$4,253,649.

The Royal, with its chain of over 600 branches across the entire Dominion, affords a unique opportunity of gauging conditions throughout the whole country. With the steady expansion of trade and industry there has been a very large increase in the accommodation afforded to Canadian business, and as a result current loans in Canada have increased to \$183,747,409, compared with \$143,259,518 last year, a gain of over 40,000,000.

Notwithstanding the large increase in its business, the Bank has at the same time maintained a position of marked strength. Liquid assets of \$279,197,713 are equal to over 50 p.c. of liabilities to the public, and it is interesting to note that actual cash on hand and in banks is over 30 p.c. of public liabilities, an unusually strong and favorable feature.

Large Gain in Savings.

Of special interest from the standpoint of the general public is the striking evidence that the Canadian people, even during a year of readjustments, have been adding steadily to their savings, and as a result there is a gain of over \$70,000,000 in savings deposits, these now standing at \$331,688,078, compared with \$259,465,169. Such a development, especially under the general conditions that have prevailed, must be attributed in very large part to the complete organization which the bank has now rounded out in every section of the country.

In view of the important part Canada is taking in the international trade of the world, it is interesting to note from the Return to the Dominion Government that deposits elsewhere than in Canada show an increase for the year of over \$42,000,000 and continue to be largely in excess of the outside commercial loans. At the end of the

fiscal year the outside deposits totalled \$164,106,090, against outside commercial loans of \$102,674,210, thus continuing the policy of always making this outside business entirely self-supporting and in no way dependent on the Canadian resources of the Bank.

Capital Increased.

During the year the capital of the Bank has been increased by over \$3,000,000 by an issue of new shares, which have been absorbed by the shareholders, and an addition of \$3,134,010 has been made to the Reserve Fund, the Capital and Reserve now being each \$20,134,010.

The profits for the year, after making full allowance for all bad and doubtful debts and providing for every possible contingency that may arise, amounted to \$4,253,649, compared with \$3,423,264 for the previous year. To a great extent the larger profits undoubtedly reflect the greater business handled, as well as the larger Capital which was employed. The profits, added to the balance brought forward from the previous year, made a total amount available for distribution of \$5,350,067. This amount was appropriated as follows:—Dividends, \$2,153,159; bonus of 2 p.c. to shareholders, \$402,680; transferred to Officers' Pension Fund, \$100,000; written off Bank Premises' Account, \$400,000; War Tax on Bank Note Circulation \$180,295; transferred to Reserve Fund, \$1,567,005, leaving a balance to be carried forward of \$546,928.

From a banking standpoint nothing could be more satisfactory than the strong liquid position shown, and especially the exceptionally large cash reserves which are being carried at a time when the Bank is handling the largest business in its history. From the standpoint of the general public the striking evidence of the frugality of the Canadian people, as shown in the large gain in savings, will be noted with much satisfaction.

The principal accounts of the Bank as at November 30th, 1920, with comparison with those of the previous year, show as follow:—

| | 1920. | 1919. |
|---|---------------|---------------|
| Total Assets | \$594,670,013 | \$533,647,084 |
| Liquid Assets | 279,197,713 | 273,908,862 |
| Deposits not bearing interest | 123,329,308 | 134,088,987 |
| Deposits bearing interest | 331,688,078 | 259,465,169 |
| Capital Stock | 20,134,010 | 17,000,000 |
| Reserve Fund | 20,134,010 | 17,000,000 |
| Dominion and Provincial Government Securities | 12,808,172 | 45,323,598 |
| Canadian Municipal Securities and British Foreign and Colonial Public Securities, other than Canadian | 21,400,126 | 33,400,542 |
| Balances due by Banks | 37,044,311 | 18,118,426 |
| Current Loans in Canada | 183,747,409 | 143,259,518 |
| Current Loans elsewhere than in Canada | 102,674,210 | 90,210,271 |
| Coin Current | 17,910,122 | 17,653,724 |
| Dominion Notes | 28,727,403 | 26,735,724 |
| United States Currency | 27,181,668 | 8,746,805 |
| Deposit in Central Gold Reserves | 23,500,000 | 24,500,000 |



SUCCESS and Independence.—Do not depend on what you earn but on what you save. The Standard Bank of Canada can very materially assist you to win success and secure independence.

THE
STANDARD BANK
OF CANADA
MONTREAL BRANCH
136 ST. JAMES STREET
E. C. GREEN, - - MANAGER

THE ROYAL BANK OF CANADA

Incorporated 1869.
Capital and Reserves \$40,000,000
Total Assets . . . \$595,000,000
HEAD OFFICE: MONTREAL.
SIR HERBERT S. HOLT, Pres.
E. L. PEASE, Vice-President and Manager.
Director.
C. E. NEILL, General Man.
717 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, HAITI, COLOMBIA, BRITISH WEST INDIES, FRENCH WEST INDIES, ARGENTINE, BRAZIL and URUGUAY.
SPAIN, Barcelona—Plaza de Cataluna, 6
PARIS AUXILIARY—28 Rue du Quatre Septembre.
LONDON, Eng. NEW YORK Princess St. E. C. 68 Wm. St.
SAVINGS DEPARTMENT at all Branches.

The Home Bank of Canada

Branches and Connections Throughout Canada

Bonds and Foreign Exchange
Every Branch of the Home Bank is in ready communication with the Bond and Foreign Exchange Departments at the Head Office, and any enquiries made through any branch will receive prompt attention.

MONTREAL OFFICES:
Transportation Building,
120 St. James St.
2111 Ontario St. East 1318 Wellington St.
cor. Davidson St VERDUN

The Molsons Bank

Incorporated 1855.
Capital and Reserve \$9,000,000.00
Over 130 Branches.

SMALL ACCOUNTS SOLICITED.

We welcome the small account and by encouragement and guidance in careful financing help a quick and normal growth.

Edward C. Pratt,
General Manager

The Dominion Bank

160 St. James St.

Our SAVINGS DEPARTMENT is especially equipped to give all depositors a thoroughly efficient service.

Interest allowed at current rate.

M. S. BOGERT,
Manager.

Exchange and Letter of Credit

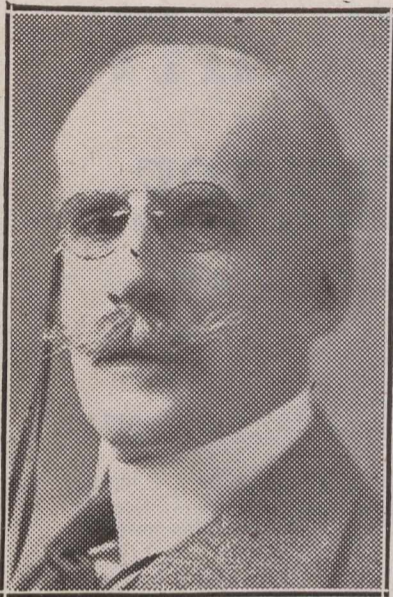
This Bank offers peculiar advantages in handling Foreign Exchange and issuing Letters of Credit. With Branches in every part of Canada, as well as in several important cities elsewhere, and with correspondents of high standing in all parts of the world, it is able to place many advantages at your disposal.

The Canadian Bank of Commerce

OVER 500 BRANCHES.
PAID-UP CAPITAL - \$15,000,000
RESERVE FUND - \$15,000,000

MARCONI DIRECT TRANSLANTIC SERVICE
Rush Messages to Britain at a saving of NINE CENTS per word
Mark Forms "Via Marconi" & hand in at any C.P.R. or G.N.W. Telegraph Office.

Union Bank's New Vice-President



W. R. Allan recently elected vice-president of the Union Bank of Canada is a member of the firm of Allan Killam & Mackay, Insurance and financial agents, Winnipeg. He is also president of the Permanent Building Investment Company and a director of the following companies: The Canadian Mortgage Association, The Scottish Investment and Debenture Co., Dominion Rubber System, Ames, Holden, McCready, Simmons Bedding, and Lake of the Woods Milling Co.

MEXICAN CONDITIONS PROMISING

Encouraging reports on political and commercial conditions in Mexico are made by Joseph W. Rowe, representative in that country of the Irving National Bank, who has just returned to New York.

Mr. Rowe has lived in Mexico much of the time since 1913, when Victoriano Huerta was President, and not at any time during that period has the outlook contained so many reassuring features as today, he declares. Industrial and agricultural activities have received a new impetus. A steadily increasing output is being shown both in mining and oil operations. The grain crops are larger, and it is now expected that for the first time in several years Mexico will have sufficient cotton not only for domestic purposes, but for export as well. The situation, he believes, offers to American business men an inviting opportunity for the resumption of extensive trade relations.

THE BANK OF NOVA SCOTIA Dividend No. 204.

Notice is hereby given that a Dividend at the rate of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Monday, the third day of January next, at any offices of the Bank in Canada. The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.

Halifax, N.S.

CANADIAN BANK CLEARINGS.

Following are the Canadian bank clearings for the past week, with comparisons:

| | 1920. | 1919. |
|-------------------|---------------|---------------|
| Montreal . . . | \$132,456,714 | \$136,311,509 |
| Toronto . . . | 119,200,605 | 90,069,772 |
| Ottawa . . . | 10,348,875 | 10,155,433 |
| Hamilton . . . | 7,375,839 | 5,788,653 |
| Quebec . . . | 6,925,450 | 5,033,950 |
| Halifax . . . | 4,335,899 | 4,356,360 |
| London . . . | 3,412,198 | 2,961,971 |
| St. John . . . | 3,235,239 | 2,491,754 |
| Brantford . . . | 1,577,265 | 1,100,265 |
| Peterboro . . . | 968,056 | 802,780 |
| Sherbrooke . . . | 1,279,722 | 961,156 |
| Moncton . . . | 920,206 | |
| Windsor . . . | 3,757,236 | 2,945,583 |
| Ft. William . . . | 1,247,097 | 968,579 |
| Winnipeg . . . | 76,914,777 | 46,217,028 |
| Brandon . . . | 917,938 | 717,465 |
| Moose Jaw . . . | 2,184,514 | 1,665,947 |
| Pr. Albert . . . | 411,951 | 449,418 |
| Lethbridge . . . | 971,084 | 656,674 |
| Med. Hat. . . | 625,696 | 466,745 |
| Calgary . . . | 9,122,834 | 8,091,550 |
| Edmonton . . . | 6,059,251 | 5,081,146 |
| N. West'ster. . . | 668,384 | 476,973 |
| Vancouver . . . | 16,777,284 | 13,253,099 |
| Victoria . . . | 2,829,990 | 2,669,352 |
| Kitchener . . . | 1,128,438 | |
| Regina . . . | 4,987,381 | 4,140,322 |
| Saskatoon . . . | 2,372,940 | |

WAR COST U. S. TWENTY-FOUR BILLION.

The net cost of the war to the United States Government is fixed by Secretary of the Treasury Houston at \$24,010,000,000. This, he said, represented the "adjusted expenditure of the Treasury, excluding all other outlay which had no relation to the actual prosecution of the war during the period from April 6, 1917, to June 30, last, which he said covered the extremes of the Government's war-time fiscal operations.

Total expenditures by the Government during the period covered, excepting only postal disbursements from postal revenues, were \$38,830,812,895, Treasury figures showed. Of this amount \$16,078,844,097 was obtained in taxes and revenue from sources other than borrowed money.

Mr. Houston said a deduction of \$9,523,000,000, the amount loaned to foreign Governments, should be made from the grand total, since these loans will be repaid, and consequently cannot be charged as an actual expenditure. The Treasury made other deductions aggregating approximately \$4,500,000,000, which he said represented the excess cost of actual Government operations for the three years and three months over what they would have been in normal times.

NEW YEAR TRAVEL.

Montreal, Toronto and Chicago.

The double track route of the Grand Trunk between Montreal, Toronto and Chicago will afford those who are travelling this New Year the maximum of travel comfort. The "International Limited" Leaves Montreal daily at 10.00 a.m. arrives Toronto 5.40 p.m. with direct connection for Hamilton.) London 9.03 p.m., Detroit 11.35 p.m., and reaches Chicago at 8.10 the following morning. For those who desire to begin their

journey at night, equally attractive service is provided, leaving Montreal train No. 17 at 11.00 p.m. for Toronto, Hamilton, London, Detroit and Chicago. The equipment on these trains is unexcelled and includes on the "International Limited" observation library, sleeping car, compartment-drawing room sleeping car, parlor car and dining car, (breakfast serv-

ed before reaching Chicago) and on the night train No. 17 from Montreal club compartment drawing room, sleeping car and standard sleeping cars. The Grand Trunk dining car service is an outstanding feature. For full particulars, reservations, etc., apply Canadian National-Grand Trunk City Ticket Offices, 230 St. James Street, Montreal.

ESTABLISHED 1832

Paid-Up Capital
\$9,700,000



Reserve Fund
and Undivided Profits over
\$18,600,000

TOTAL ASSETS OVER \$220,000,000

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

The Bank of Nova Scotia

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS

| | |
|-----------------------------|---------------|
| Capital Paid up | \$22,000,000 |
| Rest | \$22,000,000 |
| Undivided Profits | \$1,251,850 |
| Total Assets | \$560,150,812 |

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq. Lord Shaughnessy, K.C.V.O.
H. R. Drummond, Esq. D. Forbes Angus, Esq.
Lt.-Col. Herbert Molson, C.M.G., M.C. Harold Kennedy, Esq.
G. B. Fraser, Esq. Colonel Henry Cockshutt.
E. W. Beatty, Esq., K. C. Sir Lomer Gouin, K.C.M.G.
General Sir Arthur Currie, G.C.M.G., K.C.B., LL.D.

Head Office: MONTREAL.

SIR FREDERICK WILLIAMS-TAYLOR, General Manager.

Branches and Agencies:

Throughout Canada and Newfoundland.
At London, England, and at Mexico City.
In Paris, Bank of Montreal, (France).
In the United States—New York, Chicago, Spokane, San Francisco—British American Bank. (owned and controlled by the Bank of Montreal).
West Indies, British Guiana and West Africa—The Colonial Bank (in which an interest is owned by the Bank of Montreal).

THE MERCHANTS BANK

Head Office: Montreal. OF CANADA Established 1864.
Capital Paid-up \$ 8,400,000
Reserve Fund and Undivided Profits \$8,660,774
Total Deposits (Oct 30th, 1920) over \$170,000,000
Total assets (Oct. 30th, 1920) over \$209,000,000

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

Vice-President: A. J. Dawes.

General Manager: D. C. Macarow.

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

General Supervisor, W. A. Meldrum

HOW THE BANKS SERVES.

The position of the Merchants Bank in the financial and commercial world, makes it a veritable clearing house of market information and knowledge as to the best business practice and trade methods at home and abroad. Our experience, advice, and facilities for analyzing business problems are always available to our clients.



399 BRANCHES IN CANADA EXTENDING FROM THE ATLANTIC TO THE PACIFIC.



THE CANADIAN BANK OF COMMERCE

Statement of the result of the Business of the Bank for the year ending 30th November, 1920

| | |
|---|-----------------------|
| Balance at credit of Profit and Loss Account brought forward from last year | \$1,427,735.40 |
| Net Profits for the year ending 30th November, after providing for all bad and doubtful debts | 3,306,243.97 |
| | <u>\$4,733,979.37</u> |

This has been appropriated as follows:

| | |
|--|-----------------------|
| Dividends Nos. 132, 133, 134 and 135, at twelve per cent. per annum. | \$1,800,000.00 |
| Bonus of one per cent., payable 1st December. | 150,000.00 |
| Dominion and Provincial Governments taxes and tax on bank-note circulation | 350,000.00 |
| Written off Bank Premises | 500,000.00 |
| Transferred to Pension Fund | 150,000.00 |
| Balance carried forward | 1,783,979.37 |
| | <u>\$4,733,979.37</u> |

GENERAL STATEMENT, 30th November, 1920

LIABILITIES.

To the Public:—

| | |
|--|-------------------------|
| Notes of the Bank in circulation | \$ 30,716,914.68 |
| Deposits not bearing interest \$108,813,028.52 | |
| Deposits bearing interest, including interest accrued to date | 285,065,493.05 |
| | <u>393,878,521.57</u> |
| Balances due to other Banks in Canada | 792,301.43 |
| Balances due to Banks and Banking Correspondents elsewhere than in Canada. | 10,640,517.53 |
| Bills Payable | 1,139,853.90 |
| Acceptances under Letters of Credit | 11,204,555.81 |
| | <u>\$448,372,665.02</u> |

To the Shareholders:—

| | |
|--|-------------------------|
| Dividends Unpaid | \$ 3,980.12 |
| Dividend No. 135 and bonus, payable 1st December | 600,000.00 |
| Capital Paid Up | \$15,000,000.00 |
| Rest Account | 15,000,000.00 |
| Balance of Profits as per Profit on Loss Account. | 1,783,979.37 |
| | <u>31,783,979.37</u> |
| | <u>\$480,760,624.51</u> |

ASSETS.

| | |
|---|------------------------|
| Gold and Silver Coin Current on hand | \$15,992,107.21 |
| Gold deposited in Central Gold Reserves | 6,500,000.00 |
| | <u>\$22,492,107.21</u> |
| Dominion Notes on hand | 35,388,710.25 |

| | | | |
|--|---------------|---------------|-------------------------|
| Dominion Notes deposited in Central Gold Reserves | 10,000,000.00 | 45,388,710.25 | 67,880,817.46 |
| Notes of other Banks | | 2,482,865.00 | |
| Cheques on other Banks | | 25,846,697.22 | |
| Balances due by other Banks in Canada | | 100.00 | |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada | | 11,290,555.29 | 39,620,217.51 |
| Dominion and Provincial Government Securities, not exceeding market value | | | 13,101,556.80 |
| British Foreign and Colonial Public Securities and Canadian Municipal Securities, not exceeding market value | | | 20,737,620.72 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value | | | 6,059,204.45 |
| Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks | | | 21,434,844.02 |
| Call and Short Loans (not exceeding 30 days) elsewhere than in Canada | | | 34,274,934.06 |
| Deposit with the Minister of Finance for the purposes of the Circulation Fund | | | 908,245.56 |
| | | | <u>\$204,017,440.58</u> |
| Other Current Loans and Discounts in Canada (less rebate of interest) | | | 231,114,772.74 |
| Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) | | | 26,863,226.72 |
| Liabilities of Customers under Letters of Credit, as per contra | | | 11,204,555.81 |
| Overdue Debts (estimated loss provided for) | | | 147,916.91 |
| Real Estate other than Bank Premises | | | 514,901.50 |
| Mortgages on Real Estate sold by the Bank | | | 190,501.63 |
| Bank Premises at cost, less amounts written off | | | 6,617,095.06 |
| Other Assets not included in the foregoing | | | 90,213.56 |
| | | | <u>\$480,760,624.51</u> |

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

Report of the Auditors to the Shareholders of The Canadian Bank of Commerce.

In accordance with the provisions of sub-sections 19 and 20 of section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice, have been within the powers of the Bank.

We have checked the cash, and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than of the verification at the chief office on the 30th November, 1920, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and shown by the books of the the Bank.

T. HARRY WEBB, C.A.,
of George A. Touche & Co.

JAMES MARWICK, C.A.,
of Marwick, Mitchell & Co.
Auditors.

THE ROYAL BANK OF CANADA

GENERAL STATEMENT

30th NOVEMBER, 1920

LIABILITIES

| | |
|--|------------------|
| TO THE PUBLIC | |
| Deposits not bearing interest | \$123,329,308.42 |
| Deposits bearing interest, including interest accrued to date of statement | 331,688,078.60 |
| | \$455,017,387.02 |
| Notes of the Bank in Circulation | 41,672,973.74 |
| Balance due to Dominion Government | 19,972,801.38 |
| Balances due to other Banks in Canada \$ | 6,807.41 |
| Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries | 14,959,003.06 |
| | 14,965,810.47 |
| Bills Payable | 3,997,678.28 |
| Acceptances under Letters of Credit | 17,228,647.29 |
| | \$552,855,298.18 |
| TO THE SHAREHOLDERS: | |
| Capital Stock Paid up | 20,134,010.00 |
| Reserve Fund | \$ 20,134,010.00 |
| Balance of Profits carried forward | 546,928.20 |
| | 20,680,938.20 |
| Dividends Unclaimed | 11,107.37 |
| Dividend No. 133 (at 12 per cent. per annum), payable December 1st, 1920 | 585,979.48 |
| Bonus of 2%, payable Dec. 15th, 1920 | 402,680.20 |
| | 999,767.05 |
| | \$594,670,013.43 |

ASSETS

| | |
|---|------------------|
| Current Coin | \$ 17,910,122.50 |
| Dominion Notes | 28,727,403.00 |
| United States Currency | 27,181,668.00 |
| Other Foreign Money | 6,723,995.37 |
| | \$ 80,543,188.87 |
| Deposit in the Central Gold Reserves | 23,500,000.00 |
| Notes of other Banks | 3,431,180.21 |
| Cheques on other Banks | 26,490,706.01 |
| Balances due by other Banks in Canada | 291.51 |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada | 37,044,019.59 |
| Dominion and Provincial Government Securities, not exceeding market value | 12,808,172.80 |
| Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value | 21,400,126.90 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value | 16,117,459.49 |
| Call Loans in Canada, on Bonds, Debentures and Stocks | 12,899,573.85 |
| Call and Short (not exceeding thirty days) Loans elsewhere than in Canada | 44,962,994.23 |
| | \$279,197,713.46 |
| Other Current Loans and Discounts in Canada (less rebate of interest) | \$183,747,409.41 |
| Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) | 102,674,210.39 |
| Overdue Debts (estimated loss provided for) | 420,381.04 |
| | \$286,842,000.84 |
| Real Estate other than Bank Premises | 966,349.43 |
| Bank Premises, at not more than cost, less amounts written off | 9,498,425.46 |
| Liabilities of Customers under Letters of Credit, as per contra | 17,228,647.29 |

| | |
|--|------------------|
| Deposit with the Minister for the purposes of the Circulation Fund | 860,000.00 |
| Other Assets not included in the foregoing | 76,876.95 |
| | \$594,670,013.43 |

H. S. HOLT, EDSON L. PEASE, C. E. NEILL,
President. Managing Director. General Manager.

AUDITORS' CERTIFICATE

We Report to the Shareholders of The Royal Bank of Canada:

That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have checked the cash and verified the securities of the Bank at the Chief Office at 30th November, 1920, as well as at another time, as required by Section 56 of the Bank Act and that we found that they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal branches.

That the above Balance Sheet has been compared by us with the books at the Chief Office and with the certified returns from the Branches, and in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank.

That we have obtained all the information and explanations required by us.

JAMES MARWICK, C.A.
S. ROGER MITCHELL, C.A.,
of Marwick, Mitchell & Co.
JAMES G. ROSS, C.A., of P. S. Ross & Sons.

Auditors.

Montreal, Canada, 18th December, 1920.

PROFITS AND LOSS ACCOUNT

| | |
|---|-----------------|
| Balance of Profit and Loss Account, 29th November, 1919 | \$ 1,096,418.74 |
| Profits for the year, after deducting charges of management and all other expenses, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills | 4,253,649.24 |
| | \$ 5,350,067.98 |

APPROPRIATED AS FOLLOWS:

| | |
|--|-----------------|
| Dividends Nos. 130, 131, 132 and 133 at 12 per cent. per annum | \$ 2,153,159.11 |
| Bonus of 2 per cent. to Shareholders | 402,680.20 |
| Transferred to Officers' Pension Fund | 100,000.00 |
| Written off Bank Premises Account | 400,000.00 |
| War Tax on Bank Note Circulation | 180,295.47 |
| Transferred to Reserve Fund | 1,567,005.00 |
| Balance of Profit and Loss carried forward | 546,928.20 |
| | \$ 5,350,067.98 |

RESERVE FUND

| | |
|--|------------------|
| Balance at Credit, 29th November, 1919 | \$ 17,000,000.00 |
| Premium on New Capital Stock | 1,567,005.00 |
| Transferred from Profit and Loss Account | 1,567,005.00 |
| | \$ 20,134,010.00 |
| Balance at Credit, 30th November, 1920 | \$ 20,134,010.00 |

H. S. HOLT, EDSON L. PEASE, C. E. NEILL,
President. Managing Director. General Manager.
Montreal, 18th December, 1920.

Canada's Great Import Trade

British and U.S.A. Rivalry in this Imperial Market.

The British Export Gazette's View.

The latest reports from Canada indicate that the tendency which set in early in 1920, involving steady reduction in the volume of exports and an equally marked increase in that of imports, has in no way been checked.

The main facts regarding Canada's industrial expansion and export trade were dealt with in a recent article in "The British Export Gazette", and here we propose only to deal with certain aspects of the import trade, in which tendencies are asserting themselves which cannot be ignored. For example, in the competition between Great Britain and the U.S.A. for Canada's trade, the overwhelming preponderance of the latter is slowly being reduced, while Great Britain's interest in the market is steadily increasing. That is a fact of which we believe very few are aware, and yet it is plainly revealed when the Dominion's trade returns for the last few years are intelligently studied. In the 12 months ended August, 1918, America's share in the trade equalled 82.2 p. c. of the total imports; during the following 12 months it sank to 79.3 p. c.; and in the period ended August last to 69.8 p. c., altogether a drop of 12.4 p. c. in the three years. During the same period Great Britain's interest in the market rose from 7.8 p. c. to 8.7 p. c., and then to 15.9 p. c., a total advance of 8.1 p. c.

The U.S.A. has, of course, the very great advantage of close proximity to the market, to which may be added the similarity of climate, soil, products and general conditions of living in the two countries. There can be no wonder, therefore, that an increasing amount of American capital is being invested in the Dominion with a view to still further developments. It is, however, equally true — as Mr. Stanley M. Machin, President of the London Chamber of Commerce of the Imperial Council of Commerce, stated recently on his return from the Congress of Chambers of Commerce of the Empire at Toronto — that there is no doubt of the loyalty and affection which exist between Canada and the Mother Country. This is emphasised by the efforts, official and semi-official, which have been made on behalf of the Dominion to get into closer business relations with the United Kingdom, not merely for the purpose of finding a bigger market in England for Canadian products and manufactures, but also for the absorption of a larger proportion of British commodities by the Dominion, a consummation which, as shown by the figures quoted in the preceding paragraph, is slowly being realised.

The whole responsibility for bringing about closer commercial relations between Great Britain and Canada must not, however, rest upon the latter. A still greater obligation rests

upon statesmen and commercial men of the United Kingdom. H. M. Trade Commissioners, for example, must receive all the encouragement and support for which they are entitled to look, Canadian efforts in the direction of the Motherland must be reciprocated to the full, and, what Canadians expect most of all, British manufacturers must take a much keener interest in the market, by personal visits, by assiduous study of requirements, by the appointment of agents there instead of utilising the services of those in New York, and in a hundred other ways.

NEW YEAR IN WESTERN CANADA

New Through Train Service.

For those desirous of spending New Year in Western Canada the through daily train service between Montreal and Vancouver over the lines of the Canadian National-Grand Trunk Railways offers exceptional attractions. The excellent accommodations include compartment-observation cars, standard, tourist and colonist sleeping cars and the general features of interest possessed by the route are attracting those who appreciate the maximum of travel comfort. The new daily train the "Continental Limited" leaves Bonaventure Station, Montreal, at 5.00 p.m. each day, reaches Ottawa at 8.00 p.m. and proceeds by way of North Bay, Port Arthur, Winnipeg, Saskatoon, Edmonton and Jasper and Mount Robson Parks (Canadian Rockies) to Vancouver. Connections are made at Winnipeg with through car service for other principal points in Western Canada. For full particulars, reservations, etc., apply to any Canadian National-Grand Trunk Agent.

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Jan. 25 Italia

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