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# The Journal of Commerce

MONTREAL, CANADA

VOL. XLVIII, No. 6

GARDEN CITY PRESS FEBRUARY 10, 1920  
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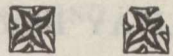
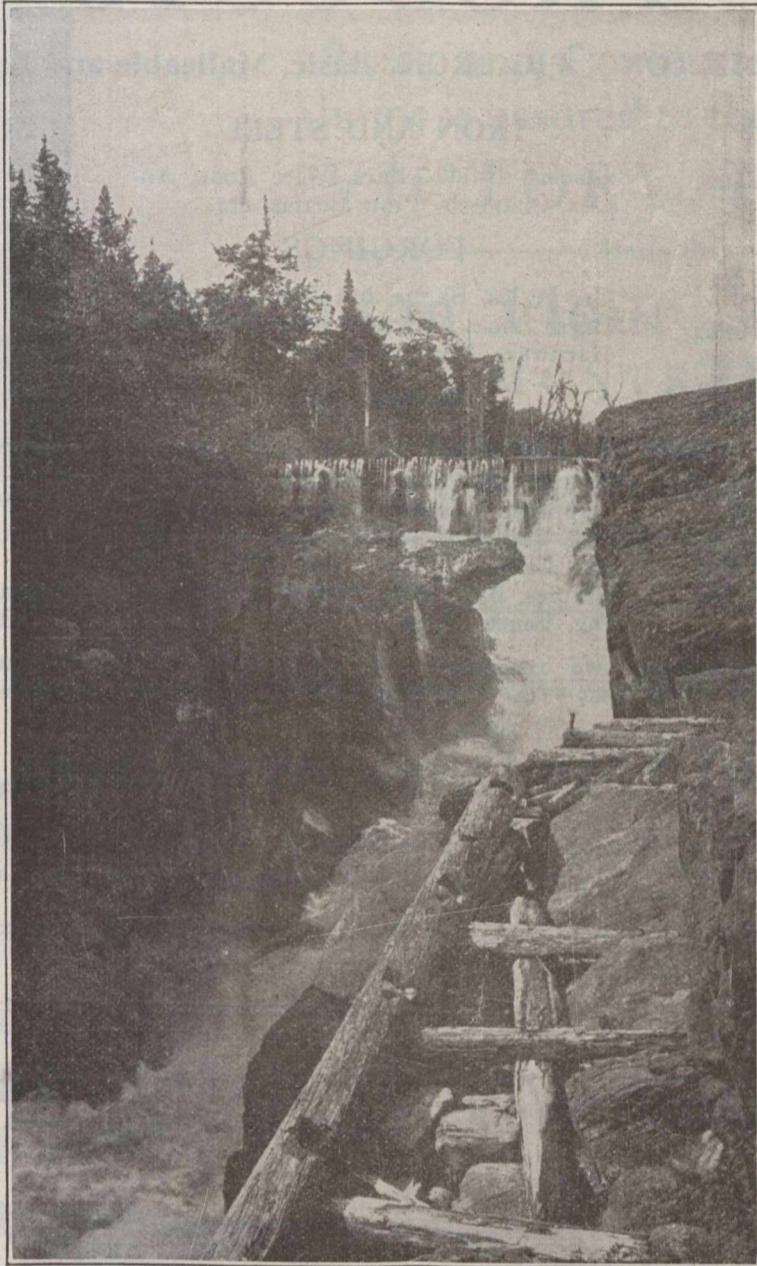
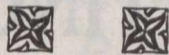
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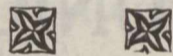
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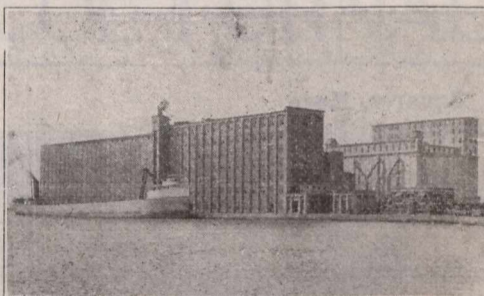
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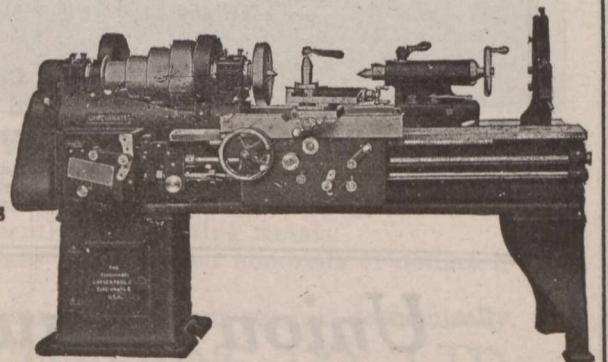
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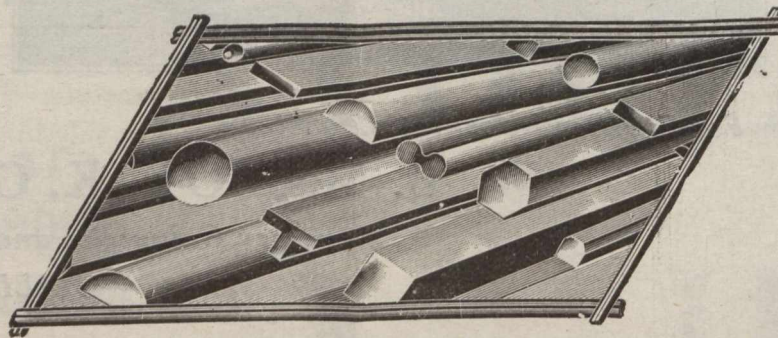
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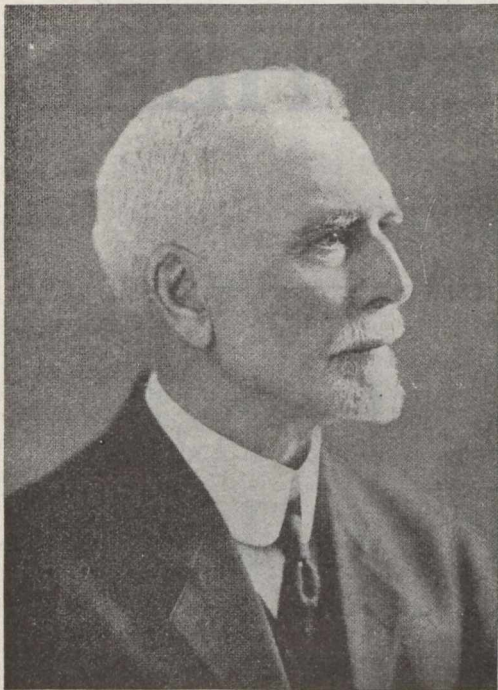
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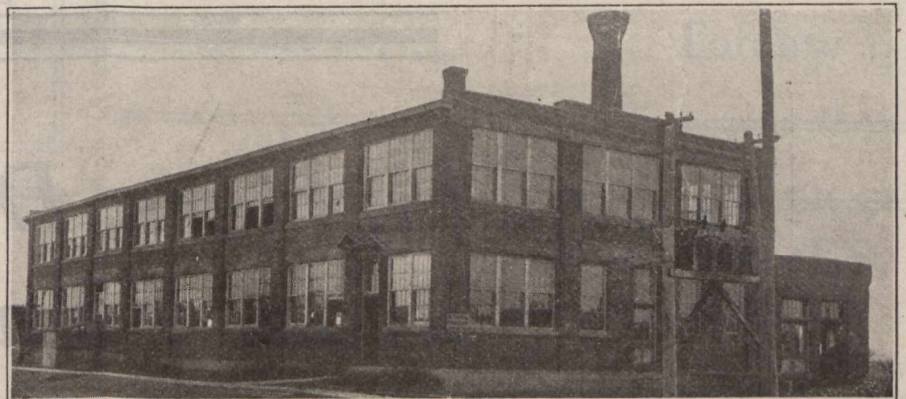
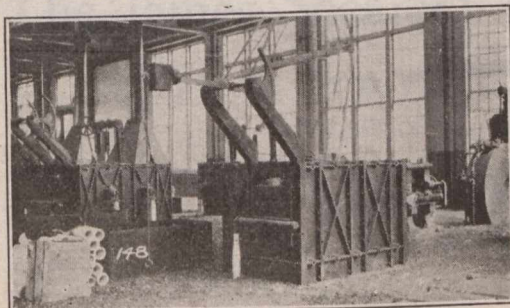
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*Statement to the Dominion Government  
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LIABILITIES	
Capital Paid Up.....	\$ 17,000,000.00
Reserve Fund.....	17,000,000.00
Undivided Profits.....	1,096,418.74
Dividend No. 129, payable December 1, 1919..	505 219.12
Fiftieth Anniversary Bonus of 2% to Share- holders, payable December 0, 1919....	340,000.00
Notes in Circulation.....	39,837,265.74
Deposits .....	433,129,602.45
Due to other Banks.....	7,463,823.30
Bills payable (Acceptances by London Branch)	806,776.89
Acceptances under Letters of Credit.....	16,467,978.69
	<u>\$533,647,084.93</u>
ASSETS	
Cash on Hand and in Banks.....	\$101,021,464.54
Deposit in the Central Gold Reserves.....	24,500,000.00
Government and Municipal Securities.....	78,724,141.43
Railway and other Bonds, Debentures and Stocks.....	19,414,891.06
Call Loans in Canada.....	16,435,614.30
Call Loans elsewhere than in Canada.....	33,812,751.53
	<u>\$273,908,862.86</u>
Loans and Discounts.....	233,945,652.67
Liabilities of Customers under Letters of Credit as per contra.....	16,467,978.69
Bank Premises.....	7,016,444.12
Real Estate other than Bank Premises.....	1,495,271.00
Mortgage on Real Estate sold by the Bank...	62,875.59
Deposit with Dominion Government for Se- curity of Note Circulation.....	750,000.00
	<u>\$533,647,084.93</u>

*631 Branches in Canada, Newfoundland, West  
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Canada .....	547
Newfoundland .....	9
West Indies .....	59
Central and South America .....	12
Spain (Barcelona) .....	1
U. S. A. (New York) .....	1
Great Britain (London) .....	1
French Auxilliary (Paris) .....	1
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Ste. Anne de Bellevue, Que.

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## PRINCIPAL CONTENTS

### Editorial:

Lord Grey's Letter . . . . .	11
Newsprint Regulation . . . . .	12
Montreal's Government . . . . .	12
The Kaiser . . . . .	13

### Special Articles:

Back to Barter or Back to Gold . . . . .	13
Western Railway Views . . . . .	14
New Director of Technical Education . . . . .	14
National Unity and Language . . . . .	15
Grain Shipments via Panama . . . . .	16
The Exchange Rate as a Protection . . . . .	18
Canadian Coal for Canadians . . . . .	20
The Pulp and Paper Industry . . . . .	24

### Miscellaneous:

Plans of Famous Players Corporation . . . . .	19
Canada Now Buying Hides Direct from India . . . . .	19
Toronto General Trusts Corporation . . . . .	17
Bradstreet's Montreal Trade Report . . . . .	17
A Lesson for Canada . . . . .	21
Central Heating for Canadian Towns . . . . .	21
Sun Life Had Most Prosperous Year in its History . . . . .	22
Paper Convention Does Good . . . . .	23
Rainy River Pulp & Paper Company . . . . .	23
Shipbuilding Scheme of Cunard Line . . . . .	28
A record of Brilliance . . . . .	28
A British Electric "Scooter." . . . .	28

## Lord Grey's Letter

VISCOUNT Grey's letter to the London Times is a very interesting and on the whole probably a helpful contribution to the discussion of the American position on the Peace Treaty. Lord Grey is careful to say that he writes as a citizen and not as an Ambassador. But he is an Ambassador, just returned to England from Washington, still in the diplomatic service, and one may be sure that he could not have published such a letter without the consent of the Foreign Office. He has very properly endeavored to remove the impression created by some speakers and writers that the United States is guilty of a breach of faith in failing to ratify the Peace Treaty. It was too hastily assumed, in some quarters, that the very prominent part taken by President Wilson in the negotiation of the treaty committed the nation to the document. Undoubtedly some of the representatives of other nations made concessions to the President to meet his views. They were surprised to find, after they had done so, that America failed to take the necessary steps to ratify the treaty, and consequently there was a disposition, especially on the part of French critics, to regard America's action, or inaction, as a case of broken faith. Lord Grey very properly points out that there is no ground for such accusations. Under the constitution of the United States the Senate is a material part of the treaty-making power. Only with the consent of the Senate can a binding treaty be made. No negotiator, not even the President himself, can in any way qualify or restrict the free action of the Senate in the consideration of a treaty. Nor is it right, Lord Grey points out, to assume that the reluctance of the Senate to ratify this treaty is due to mere partizanship on the part of the President's opponents. Lord Grey admits that the objections raised by the opponents of the treaty are fair matters for difference of opinion, and that the opposition may spring from a legitimate fear that the traditional policy of the United States as respects foreign affairs is being departed

from. He virtually admits that the Senate may be justified in making reservations.

We quote from Lord Grey's letter:

"There is one particular reservation which must give rise to some difficulty in Great Britain and the self-governing Dominions. It is that which has reference to the six British votes in the Assembly of the League of Nations. The self-governing Dominions are full members of the League. They will admit, and Great Britain can admit, no qualification whatever of that right. Whatever the self-governing Dominions may be in the theory and the constitution, they have in effect ceased to be colonies in the old sense of the word. They are free communities, independent as regards their own affairs and partners in those which concern the Empire at large. It is a special status and there can be no derogation from it. To any provision which makes it clear that none of the British votes can be used in a dispute likely to lead to rupture in which any part of the British Empire is involved no exception can be taken. That is only a reasonable interpretation of the covenant as it now stands. If any part of the British Empire is involved in a dispute with the United States, the United States will be unable to vote and all parts of the British Empire, precisely because they are partners, will be parties to that dispute and equally unable to vote. But as regards the right to vote where they are not parties to the dispute there can be no qualification, and there is a very general admission that the votes of the self-governing Dominions would in most cases be found on the same side as the United States.

"It must not be supposed that in the United States there is any tendency to grudge the fact that Canada and the other self-governing Dominions of the British Empire have votes, but any person with the smallest understanding of public audiences must realize the feeling created by the statement that the

United States, with several million more English-speaking citizens than there are in the whole British Empire, has only one to six votes. I am not concerned to discuss here how the problem of equality of voting may be adjusted. In practice it will not be important. In sentiment and political feeling it is a very powerful factor. We can neither give way about the votes of the self-governing Dominions nor can we ignore the real political difficulty in the United States. It may be sufficient to observe that the reservation of the United States, as far as known at the time of writing, does not in any way challenge the right of the self-governing Dominions to exercise their votes, nor does it state that the United States will necessarily reject the decision to which those votes have been cast. It is therefore possible, I think it is even more than probable, that in practice no dispute will ever arise. Our object is to maintain the status of the self-governing Dominions, not to secure a greater British than American vote, and we have no objection in principle to increase of the American vote."

Lord Grey apparently assumes that the self-governing Dominions attach great importance to their seats in the Assembly of the League of Nations. How far this view is well founded is not at all certain. So far as Canada is concerned that question has received but little discussion. The Parliament of Canada approved of the treaty because in the main there seemed to be no serious objection to its terms. The Covenant of the League of Nations was approved because it was regarded as an honest effort to bring the civilized nations of the world into an organization for the maintenance of peace.

But there is no reason to doubt that our Parliament would have been quite as ready to take such action if Canada had been left to be represented in the Assembly by those who represented the Empire as a whole. Direct representation in the Assembly was not at any time treated by the Canadian Parliament as a material feature of the treaty, nor is such representation likely to gain soon in estimated value. Since it is clear that the League will function chiefly through the Council from which Canadian representatives are practically excluded, and since the Assembly is seen to be a very unimportant body, there is no reason, apart from mere sentiment, why anybody here should regard the Dominion's position in the League as one of value. Indeed it is noticeable that some of those who at first seemed to be appreciative of the honor have been alarmed by the announcement recently made by Sir Herbert Ames, who has a post in connection with the League's finances, that Canada as a mem-

ber of the League will have to pay the same share of the expenses as Great Britain.

There are some inconsistencies in Lord Grey's letter. He speaks of the self-governing Dominions as full members of the League and says their right as such must be upheld. But he immediately proceeds to contradict himself by stating cases in which they should not be allowed to exercise full membership. He thus invites one of the most important reservations which the Lodge party desire to make. And after arguing generally in support of the provisions of the treaty, he virtually surrenders to the American view when in concluding he says that Great Britain would not object to increase of the American vote. But while Great Britain might not object, what of the other nations? Is it reasonable to suppose that France, Italy, Japan and the many smaller nations concerned will be as willing as Lord Grey seems to be to have the voting power of the United States raised from one to six votes?

The demand of the Dominions—if the demand came from them—for membership in the League of Nations, separate and apart from the Mother Country, has been productive of wide-reaching trouble. That any substantial benefit is to come to the Dominion as a result of the demand has yet to be demonstrated.

### Newsprint Regulation

WITH the change in values that has come about during the last few years, several Canadian products which enjoy a large export market have reached much higher prices than their producers ever obtained in the old times or probably ever expected to obtain at any time. The domestic consumer is naturally compelled to meet the export price or do without the commodity. He is doing so, for the most part, with resignation if not with enthusiasm, realizing that increased profits for the exporting industries mean increased economic strength for the country and a greater capacity to bear the burdens of taxation.

To this there is one exception. The newspaper publishers, consumers of newsprint, which is one of Canada's chief export commodities and has risen to prices far in excess of pre-war levels, have succeeded in convincing the Government of the Dominion that they should be provided with newsprint at a less-than-market price by an exercise of the sovereign power of the State. Possibly the argument which induced the authorities to adopt this conviction was less connected with the principles involved than with the notable influence upon public opinion wielded by the newspapers themselves. Certain it is that butter, wheat, lumber and many other staples, quite as necessary to the maintenance of life as newspapers, are allowed to cost the consumer exactly what the for-

eign buyer is willing to offer for them, while newsprint alone is subjected to price regulation.

This artificial fostering of one particular class of consumers, while all others have to take their chance on prices fixed by the world's demands, cannot possibly be permanent. The newspapers of Canada, and their readers, will ultimately have to pay for their raw material in just the same way as all other consumers. Neither the State nor the paper-makers can be expected to supply that raw material on anything but a business basis. The sooner we get back to that business basis, the sooner will one of our greatest national assets, the newsprint industry, be relieved of an incubus which has retarded its development and exposed it to unjustified hostility in foreign markets.

### Montreal's Government

HOW to obtain good government for the city has long been a large Montreal problem. At present there is a situation so strange that one wonders that it has not caused more comment at home and abroad. At a time when the triumph of democracy is almost everywhere proclaimed, when there is much talk of Canada's increasing status, when much is said about Canada's present and future greatness, it is remarkable fact that the people of the greatest city of this Dominion have been deemed unfit to be entrusted with the simple right and privilege of self-government. The Peace Treaty provided for self-determination for some European countries, but left Canada's chief city under autocratic rule.

Autocracy, though so frequently denounced, is not always bad. There are despotisms that may be quite wholesome. Our Montreal autocrats have not been wicked. Indeed, it must be admitted that since the representatives of the people, though still retained in office, were denuded of power, and the control of affairs was placed in the hands of an administration appointed by the Government at Quebec, the business of the municipality has been managed with considerable efficiency, better than in former days. But the fact remained that Montreal's system of government has come nearer to Prussian autocracy than to democratic institutions.

Such a condition, even though it could show some good results as its fruit, could not continue unchallenged. The Provincial Government have recognized this fact, and have made a move that no doubt is designed to eventually bring Montreal into the list of self-governing communities. The method of procedure is not in all respects satisfactory. The present City Council, whose term has nearly expired, is to be legislated into office for a further term of two years, without the trouble of an election. Since the Council has such a small part in the management of the business of the city perhaps the question of its term of office is not very im-

portant, but the practice of extending the term without reference to the voice of the people is not one to be commended, even though it finds a precedent in the war-time action of the House of Commons at Ottawa.

A new city charter—new as to lock, stock and barrel—is to be prepared by a Commission representing various organizations in the city. In the constitution of this Commission there is evidence of a desire of the Government to have all interests fairly represented. The weakness of such arrangement is that men are likely to be chosen merely because they represent varied interests and not because of their fitness for charter-making; and when they meet they naturally regard themselves as advocates of the special interests rather than as representatives of the community at large. A smaller body of men qualified by training and experience to prepare a new charter would in all probability do better work. However, the proposal carries with it evidence of an intention to give Montreal a chance to get back to a democratic system and relieve the Dominion of the discredit that comes with the admission that our great commercial metropolis is incapable of self-government.

### The Kaiser

THE refusal of the Dutch authorities to give up the ex-Emperor for trial under the terms of the Peace Treaty can hardly be a surprise to the Allied Governments. It is probably what was expected from the beginning, though not frankly acknowledged by the Allies' leaders. In the last general election in England Mr. Lloyd George made the trial and punishment of the ex-Emperor a leading feature of his campaign. There need be no doubt of the Premier's sincere desire to catch and punish the Kaiser, but he must have anticipated difficulty in carrying out the programme. Holland is not one of the parties to the Peace Treaty and consequently is not bound by its provisions. Great as his crime has been from a moral viewpoint, it may not be easy to bring home to the Kaiser a particular offence that will come under the operation of ordinary extradition treaties.

There are some people even in England who hold that prosecution of the Kaiser would make a martyr of him and re-establish him in favor in Germany. Hanging would not be an undeserved punishment for him, but there might be other penalties that would suit the case. Exile to St. Helena would be too dignified a treatment. On some other far away and less known island he might be subjected for a considerable term of years to the style of treatment that his ruffians gave some British prisoners in Germany. And to make assurance of the correctness of the treatment his guard might be made up of returned soldiers who suffered in German prisons.

# Back to Barter or Back to Gold

## Present Situation of Fluctuating Exchange Rates is Hard on Trade and Will Ultimately Mean a Huge Loss to Canada When Gold Payment is Resumed

(By the Financial Editor.)

There is no objection to the Canadian dollar's being bought and sold at 82 cents in American money, or at any other rates, if it would stay that way. There is no reason, except a minor one of convenience, why the Canadian dollar should be the exact equivalent of the American dollar, any more than there is any objection to the British Sovereign being more than the American dollar or the French franc being less. All that really matters is stability. All that the present situation does is to paralyse trade by destroying stability in the money with which it is carried on—by requiring every trader to take a chance, not merely on the commodity in which he deals (that is his business) but on money itself; to speculate in exchange as well as trade in goods.

The Canadian who buys goods from an American today at \$1.16 per dollar's worth does not know whether his rival will be buying those same articles next week at \$1.12 or at \$1.25. The Canadian who sells to an American at \$1.16 today may see his rival making an immense additional profit by deferring his sale for another week. Practically everybody in Canada is compelled today to engage in speculation on the value of the Canadian dollar, which ought to be as rigidly fixed in relation to everybody else's dollars as weight and fineness of gold can make it.

There are only two ways out of this difficulty. One is to eliminate money quotations from our business abroad, and trade with other nations, goods for goods, by the old method of barter. The other is to resume the use of gold in international settlements. There are difficulties about both methods, but they are nothing to the difficulties that will follow a prolonged toleration of the present fluctuating standard.

A continuance of the present method of settling our balances with the United States without any real payments, while we are continually allowing other nations to buy from us with a similar lack of real payments, can have only one result. The assertion that Canadian exchange on New York has reached its lowest point has been made every time there has been a slump in quotations, and each time it has been followed after an interval by a further slump. The assertion is not true.

Until Canada can either commence payment of her trade balances in gold, or reduce the amount of her purchasing from the United States to the equivalent of that which she sells to the United States, there seems to be no reason why the rate of exchange should not be progressively further and further against her. During the year just ended Canada bought from the United States \$286,000,000 more than she sold to that country. Not only this balance, but also the large sums in interest and dividends which Canada owes to the United States every year, had to be settled by borrowing from American lenders. Unfortunately "settled" is not the proper word to use in this connection, for obviously an obligation that is "settled" in this manner will have to be settled again in a more effective fashion when the loan falls due, or the lender decides to exact payment. Thus as long as the adverse balance continues, and payment in gold is impossible, the obligations of Canada to her American creditors continue to increase, and the ability of these creditors to exact their own

terms increases proportionally. There are so many essential commodities, which Canada is compelled by her geographical situation to secure from the United States, that it is difficult to foresee a time when her purchases from the Republic will not be larger than her sales to it. The importation of luxuries is already being substantially cut down by the combination of increased prices and a feeling of national apprehension. But Canada must obtain a continued supply of coal and various raw materials, and in the present state of ocean shipping, it does not seem likely that she can obtain them from any other source than her continental neighbor.

If Canada is ever going to resume the redemption of her currency in gold, the more dollars of Canadian money or Canadian credit that we have sold to Americans at 82 cents, the greater will be the profit we shall eventually have to pay to those Americans when we redeem at 100 cents. If we let the price go down to 60 cents, or 40 cents, so much the worse. It is absurd to talk about the profits on our exports in this situation, because they are exactly doubled by the losses on our imports, which are twice as large. It is delightful that our paper and lumber and minerals and flour should fetch a premium in New York, but that premium is being paid twice over by every Canadian who buys a cotton shirt or a ton of anthracite coal or a case of Florida grapefruit.

### Men Who Have Risen.

There was once a small grocer in a back street in Bolton. If you want to know who he is to-day—ask Lord Leverhulme.

There was once a shop assistant in Devonshire. If you want to know who he is to-day—ask Lord Devonport.

There was once a very small grocery in Glasgow, in which the grocer slept under the counter. If you want to know who he is to-day—ask Sir Thomas Lipton.—"Southern News-Letter."

### The Double Track To Toronto.

The direct line of the Grand Trunk Railway System offers to travellers the ideal route between Montreal and Toronto. It is double tracked all the way and the splendid train equipment in use makes the journey a pleasure. The "International Limited" which leaves Bonaventure Station daily at 10.00 a. m. is composed of parlor cars, Pullman drawing room, sleeping cars, dining car and modern coaches, and reaches Toronto at 5.40 p. m. Another morning train leaves Montreal at 9.00 a. m. daily for Toronto and intermediate stations, reaching Toronto at 9.00 p. m. The Grand Trunk also operates two excellent night trains, one departing at 7.30 a. m. and the other at 11.00 arriving Toronto at 6.00 a. m. and 7.30 a. m. respectively. On the 11.00 o'clock train there are Pullman drawing room, sleeping cars, including club compartment drawing room, sleeping car and latest type of coaches, and there are drawing room, sleeping cars (which may be occupied until 7.30 a. m. at Toronto) and latest type of coaches on the 7.30 p. m. train.

# Western Railway Views

## Leaders Withhold Support of Deeper Waterways Project —Seed Wheat Difficulty—Lumber Embargo.

By E. CORA HIND

Winnipeg, Jan. 30.—The recent visit of Sir George Bury to Montreal and Ottawa has again given rise to rumors of the possibility of his taking over operations of the Canadian National Railways. It was rather interesting to note that a number of delegates particularly those from Manitoba, who were in attendance at the U. F. A. convention at Calgary were deeply interested in these rumors, and a number of them expressed the hope that there was truth in them.

Railroading in the West has been a very difficult proposition this season. Cold weather came early and there is more snow than there has been for many years, so that even with the best possible equipment and energetic administration many trains are late and the movement of both grain and livestock has been very difficult and the C. N. R. have certainly not even as good a record as the other roads.

There is no doubt that the equipment of these roads has never been brought up to the pre-war standard of efficiency, and they are reported especially weak in motive power.

There seems to be a feeling that a very strong operating head is needed, and more than one prominent official of the organized farmers stated his belief that "George Bury," they rarely trouble to attach the "Sir", was the one man in Canada today who could successfully manage this job. Sir George Bury has gone back to Vancouver and nothing definite is known of the matter.

The farmers are interested from two standpoints. They are keenly interested in the movement of their grain and this year the largest percentage of heavy crops lay along the sections which are served by the C. N. R. and as they have for a long time advocated government ownership of railroads, they naturally do not like to see them fall down.

### Deeper Waterways.

The Canadian Deep Waterways Association has been in convention here for the past few days, and in addition to Canadian representatives—Charles F. Craig, vice-president of the Great Lakes and St. Lawrence Tidewater Association is here, and also Dr. R. J. Manion, M.P. for Fort William, who is making a great deal of the advantages to British importers in selecting grain at Fort William and Port Arthur and shipping it in unbroken bulk overseas.

W. M. German, K.C. honorary president of the association, is here, and in his address made the statement that the project would require about five years to carry out, and that 400,000,000 horse-power could be developed along the St. Lawrence, which could be distributed to points as far away as 500 miles.

In the course of the discussion a very interesting question has developed. At the convention there are representatives of the organized farmers of the West. J. A. Maharg, M. P., president of the Saskatchewan Grain Growers, and J. L. Brown, president of the United Farmers of Manitoba, have both announced that they were not at present prepared to commit the members of their organizations to the support of the St. Lawrence waterways enterprise, until the avowed purpose of reducing transportation charges had been thoroughly investigated by their organizations. Mr. Maharg was in favor of an amendment for providing for Government control of all shipping rates as well as water power, but

there was a division of opinion on the subject, and it was not put to the meeting in the form of a motion. Mr. Maharg was very definite in his statement that he did not believe in any further development of waterways if the people of Canada could not control the freight rates to be charged on those waterways, and felt that provision must be made for government control of rates before the proposition could gain support from the organized farmers.

The reference to the international aspect of the waterways scheme brings to mind the fact that some few years ago, Mr. M. Cauchon, the son of the late Governor Cauchon of Manitoba, put forward a seemingly very favorable scheme for an all Canadian route for these deepened waterways to seaboard. If a reduction in freight rates is possible, it would seem highly desirable that every consideration be given to it before the international scheme is adopted.

### Movement of Wheat.

Reports from Calgary indicate the movement of 100,000 bushels of wheat weekly to the United States. There has been a good deal of trouble and not a little acrimonious discussion over the

question of the distribution of seed wheat, owing to the two different boards of control, the Seed-Grain Commission and the Canada Grain Board. The farmers in the dried-out areas felt it a very great injustice that they should be asked to pay \$2.80 a bushel for seed wheat, and at the recent convention at Calgary the following resolution was unanimously adopted:

"That this convention approved of the action of A. E. Wilson, Seed Grain Commissioner for the West in attempting to get a reduction in the price of seed wheat to farmers at country elevators in the dried-out-areas from the present price fixed by the Canada Wheat Board to \$2.40, basis Fort William."

This resolution was wired to the Minister of Trade and Commerce and as yet there is no public announcement as to the result of this effort.

It is a very serious matter as a number of the men had already contracted for their seed wheat at the lower prices, and were really not in a position to pay the additional amount required, even had they been willing to do so.

### Lumber Situation is Acute.

Lumber men were in convention in Winnipeg this week and are protesting that the heavy export of lumber is further enhancing the price to the Canadian consumer, and are hinting at an embargo on the shipping of lumber to the United States. The price paid by American buyers plus the rate of exchange is making the price to Canadian consumers practically prohibitive.

Already several large building projects have been called off, notable among them the addition to the Winnipeg Grain Exchange, while the housing question grows daily more serious.

## New Director of Technical Education

Professor Lester W. Gill, who has lately been appointed Director of Technical Education to administer the ten million dollars voted by the Dominion for distribution to the provinces, was born in Prince Edward Island in 1871. In 1896 he graduated from McGill university in mechanical engineering with honours and a gold medal. After spending a year in post-graduate work at electrical engineering and research work in mag-

netism he was awarded an 1851 Exhibition Scholarship. This was held for two years, one of which was spent in research at McGill and the other in special studies of physics and mathematics at Harvard.

For two years, he was connected with commercial engineering work for the Westinghouse Electric, and made a study of manufacturing methods and shop practice.

In 1900 he was appointed Professor of General Engineering in the School of Mining at Kingston. When this school expanded and became a faculty of Applied Science he was assigned first to mechanical engineering and then to electrical engineering. About this time he designed and superintended the installation of a central heating plant at Queen's University which was the first one of its kind in Canada.

In January 1915 he volunteered for overseas service and in 1916 went overseas in command of a battery which he had recruited and organized in three months. After a distinguished career on the field he was compelled to retire on account of ill-health, due principally to the effects of gas. After convalescing he was requisitioned for technical duty with the Ministry of Munitions. He was about to return to France when the armistice was signed, but went to the Khaki University instead and in December 1918 he was appointed Assistant Director of Educational Services. In August 1919 when the University was disbanded he returned to Canada and accepted temporarily his old position at Queen's University. In December he was appointed Director of Technical Education, a position he is remarkably well qualified to fill. On two occasions he has represented Canada at meetings of the International Electro-technical Commission and he is one of those chosen by his fellow engineers as a member of the Canadian Engineering Standards Association.



Professor Lester W. Gill.

# National Unity and Language

Diversity of Language is no Bar to Unity of National Feeling,  
Provided Only That the Two Racial Elements are of  
Similar Civilization and Ideals

By J. W. MACMILLAN.

I read in a daily paper that a speaker at a public gathering declared that the people of Canada could be drawn together into the possession of common national ideas and ideals only by their using one language. He illustrated his plea by saying, "I do not believe that Quebec and Ontario are any nearer together than they were a hundred years ago. The reason is that there are two languages spoken, and I am convinced that so long as we have a bilingual problem we shall never be drawn close together."

Is this so? Is the language the one and only means and necessity for national unity? That it is of importance no one will deny. But is it everything? Can we not attain national unity without the destruction of all languages but one? Or, again, is it not possible for a population to use the same language and still be diverse and unharmonized?

National unity is welded of two materials, history and culture. A nation is a people with a common glory in the past and a common will for the present. Its people share the same memories and practise the same "mores." Nationhood is a spiritual fact. It must find its expression through physical channels, but we must not confuse the spirit and its expression. Language is a physical thing, and so belongs in the list of the media of expression rather than in the essence of nationhood itself.

A nation is more likely to be of one mind and one spirit if its people possess a common origin, a common language, common customs and a common religion. But if all these things were absolutely essential there would be few nations on earth. The fact is that the word unity as applied to a nation is to be taken in a qualified sense. No nation achieves perfect unity. There will remain social stratification, inequality of privilege, disparity of wealth, prominence and renown, even in the best of them. All we can hope for is an approximation of unity. In times of peril and disaster, as in the event of an attack by a foreign foe or the onrush of a pestilence, the whole people may join in harmonious effort. But normally any nation is far from being harmonious. It does not expect to be. All it asks for, the most it expects of its citizens, is that they shall settle their differences in the accepted constitutional fashion and be good-humored about it. And that is all that the people of Quebec, Ontario, or any other province succeed in doing. It is all that anyone can reasonably expect, for a long time yet, between Ontario and Quebec, in the wider nationhood of the Dominion.

Now, when we come to examine the part that language plays in assimilation we perceive that while language, in any case, is important, that when we have said that we have not said all that is to be said. It makes a difference that languages are concerned. And it also makes a difference if one language boasts itself as fit to displace the other.

It makes a difference what languages are concerned. In the endeavors of Austria, Germany and Russia before the war to incorporate such races as the Czechs, Poles and Ruthenians into their own populations they met an impassible barrier in the character of the languages these peoples spoke. They were languages without literatures, and without words for all the commodities and ideas which the progress of a hun-

dred years had created. It was manifestly impossible for any two peoples to meet on equal terms with such a chasm in knowledge and culture dividing them. As a matter of fact, the leaders of the Hungarians, perceiving the poverty of the Magyar speech, deliberately developed it into a medium of thinking and uttering the thoughts of modern times, and with a literature and a theatre founded, were able to elevate their race into a cultural equality with the Germans in the Austrian Empire.

Thus the difference between English and French in a nation is not like the difference between English and Ruthenian, or between French and Cree. A considerable part of the hindrance to national assimilation disappears in the cultural parity of two of the great modern tongues of the world.

There is a national unity in Switzerland, where three languages are spoken, German, French and Italian. Such unity had not been possible had one of these languages been of a distinctly lower cultural rank than the others.

The same argument holds good of religion. For I suppose that some other speaker, whose words either were not reported or the report of which did not chance to catch my eye, has been saying that the great obstacle to the harmonious co-operation of Ontario and Quebec is the religious one. We examine the religions in question for cultural divergencies. Undoubtedly, the Moslem and Christian peoples of any country will find it hard to reach any spiritual unity. When a man has four wives and keeps them shut up behind a stone wall he will not easily become a political comrade of a man who has but one whom he dare not incarcerate. There are certainly structural differences between Protestantism and Catholicism which will endure as long as either of these faiths endures, and which tend to hinder the full and free agreement between the followers of either faith. But let us remind ourselves that we do not expect absolute unity anyhow. The truth is that there is nothing in the differences between these two religions which makes a high degree of national unity impossible. If Protestantism were as it can be found in some of the foreign-speaking colonies of the western prairies and Catholicism as it can be found in other similar colonies a few miles away we could not expect them to unite for national or any other aims. But these colonies are low culturally, and their religion takes its tone from their poverty, ignorance and prejudice. A better place to estimate the amount of unity attainable is in some town of Ontario where the descendants of Irish Catholics and English or Scotch Protestants have lived together for three generations. I have lived in such towns, as have many of my readers, and I know how true and deep is the neighborliness between such religious classes. There is no inter-marriage, but assimilation is not amalgamation, and the people of the town are one in memory and one in culture.

There is the religious difference in Switzerland and joined with the language difference, even as in Canada yet there has been no question as to the effective national unity of Switzerland for three centuries.

Thus these two matters of language and religion need not be regarded as insurmountable

obstacles in the way of a genuine harmony between Quebec and Ontario provided the other ingredients of unity are present. What are these other ingredients? One of the most important is a common standard of living. If the customs in regard to dress, food, housing, books, music, and sport which prevail are the same in the two provinces harmony will be promoted. It is plain that such differences as exist in the standard of living are small. Neither province has a national costume, but the people follow world costumes in their dress. In respect of the other items enumerated the fact that the same factories produce the same goods for all of Canada hastens a standardization which ensures an approximately uniform standard of living. If it be true, as is sometimes said, that wages average lower in Quebec than in Ontario, then national unity demands that wages be raised in Quebec to the Ontario level. This will equalise the standard of living between the two provinces. And nothing is more certain than that, with national trades-unions and the progress and equalization of minimum wage standards, such evening of income is bound to take place.

Another ingredient of the recipe for unity is in the institutions of the people. The family, the joint-stock company, the co-operative movement, the play-house, the hospital, the school-board, the town council,—these, and such as these, are pledges to harmony if found in similar form among the two peoples. And they are so found. True, there are more monasteries in Quebec and more lodges in Ontario but the great mass of the staple institutions are the same.

Another ingredient is ideals. Have the two peoples the same preferences for self-government, for self-determination, for moral behavior? If it seems that they are not alike, let one or other of the two provinces be compared with such a country as Mexico or Bulgaria. It will be seen that, as the world is peopled, the mental and moral standards of Ontario and Quebec are very much alike. Both peoples mean the same when they speak of beauty, or decency, or honor.

Perhaps the most emphatic word regarding inter-provincial unity is this: there must be no coercion. To attempt to coerce a race is to be defeated. It is to provoke antagonism, and to kindle a fervor of resentment which will scorn harmony. The only way successfully to coerce a population out of habits and customs which are regarded as undesirable from the national standpoint is to annihilate it. Germany in Poland and Alsace, Russia in Finland, and Austria in Bohemia tried during many decades the policy of coercion without annihilation, and failed utterly. Turkey, with deeper wisdom, adopted a more heroic policy with Armenia, and scarcely succeeded. Even annihilation did not annihilate. The first step towards Canadian unity is a policy of friendship.

## Rapid Road Reconstruction.

A new type of road repair equipment has been produced by a leading British firm. It consists of an electric battery-driven truck on which is mounted a compressed air plant operated by an motor either from a storage battery or from the electric motor. Current can be supplied to the street electric mains. An air receiver and a special water cooling arrangement are supplied, so that no separate water supply is necessary. The frame carrying the motor, compressor, receiver, and water tank can be raised on four jacks, and the electric truck can be used for other purposes while the equipment is at work. Special types of pneumatic tools are supplied for breaking up road foundations and for tamping, the speed of operation being far in excess of anything possible with manual labour.

# Grain Shipments via Panama

## Mr. E. W. Beatty Makes Some Interesting Announcements— Shipping Wheat Through Port of Vancouver Around by the Panama Canal is Discussed

(From Our Special Correspondent)

Vancouver, Jan. 30.—Mr. E. W. Beatty of the Canadian Pacific Railway, when in Vancouver recently, made some announcements with regard to developments the company are about to make. The announcement was also made that the contract for dredging and filling in for a new pier is awarded to the Pacific Construction Company. The new pier will take about eight months to complete and will greatly increase Vancouver's shipping facilities.

Mr. Beatty said it had been decided to spend \$3,000,000 for development in British Columbia. This sum would be used in various localities and made up principally as follows: Continuing the lining of Connaught tunnel, the reduction of grades between North Bend and Kamloops, construction of various buildings including a round house at Cranbrook, filling in a long trestle dock at Kootenay Landing, coaling plants to be built at Fernie and Yale. At Vancouver, Revelstoke, Field and Kamloops mechanical facilities will be extended. The fruit industry on the Okonagan Lakes and Arrow Lakes will be assisted by having a new service installed consisting of new tugs and barges for the handling of the fruit.

As regards the movement of grain shipments through Vancouver and thence by the Panama Canal. Mr. Beatty said that the Company would be pleased to take shipments routed via the Panama Canal. He thought, however, that routing through the port of Vancouver would depend greatly on conditions with which his company was not concerned. There is nothing to prevent the shippers from using this route if they think it to their advantage to use the same as compared with the Atlantic sea ports. If ocean tonnage upon the Pacific was provided in quantities sufficiently large to take care of shipments, the advantage in rates via Vancouver from the prairies over the rates to St. John and Halifax and New York is considerable and might influ-

ence shipments by way of this port under normal conditions.

In regard to the replacing of vessels on the Pacific Coast service which have either been destroyed or lost during the war. President Beatty said that, owing to the practical impossibility of obtaining delivery in reasonable time owing to the overcrowded state of the yards in the Old Country it might be some time before the necessary vessels can be secured.

When Capt. J. W. Troup, who has this question in hand, returns from England something more definite as to what is going to be done can be given out.

Coughlan's Shipping yard the largest in Vancouver recently launched the Canadian Government steamer, "Canadian Inventor." This yard has five more steamers to finish, three for the government and two for private concerns.

### Montreal-Ottawa Grand Trunk Railway System.

Between the Metropolis and the Capital City service now in effect is:

	Daily.	Ex. Sun.	Daily.
Leave Montreal	8.15 a.m.	4.00 p.m.	8.05 p.m.
	Daily.	Ex. Sun.	Daily.
Arrive Ottawa	11.45 a.m.	7.30 p.m.	11.05 p.m.
	Daily	Daily	Ex. Sun.
Leave Ottawa	8.30 a.m.	3.30 p.m.	6.50 p.m.
	Daily	Daily	Ex. Sun.
Arrive Montreal	12 noon	6.30 p.m.	10.20 p.m.

In addition to high grade coaches, buffet parlor cars are operated on all trains, and a special feature is cars with large observation room at rear, that are popular with the ladies, and also have large smoking room for gentlemen. These cars will be on the 4.00 p.m. and 8.05 p.m. trains from Montreal, and the 8.30 a.m. and 3.30 p.m. trains from Ottawa.

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New York.....	Columbia .....	April 17

TO LIVERPOOL.

New York.....	Kais. Aug. Vict. ....	Mar. 27
New York.....	Carmania .....	Apr. 6
New York.....	Kais. Aug. Vict. ....	Apr. 27
New York.....	Carmania .....	May 11
New York.....	Kais. Aug. Vict. ....	May 29

TO PLYMOUTH, CHERBOURG & LIVERPOOL.

New York.....	Kais. Aug. Vict. ....	Feb. 25
New York.....	Carmania .....	Mar. 2

TO PLYMOUTH, HAVRE, SOUTHAMPTON.

New York.....	Royal George .....	Mar. 9
New York.....	Royal George .....	Apr. 14
New York.....	Royal George .....	May 19

TO CHERBOURG & SOUTHAMPTON

New York.....	Imperator .....	Mar. 6
New York.....	Mauretania .....	Mar. 20
New York.....	Mauretania .....	Apr. 17
New York.....	Imperator .....	May 1
New York.....	Mauretania .....	May 15
New York.....	Imperator .....	May 29

TO PLYMOUTH, HAVRE, LONDON.

New York.....	Saxonia .....	Feb. 14
New York.....	Saxonia .....	Mar. 23
New York.....	Saxonia .....	May 1

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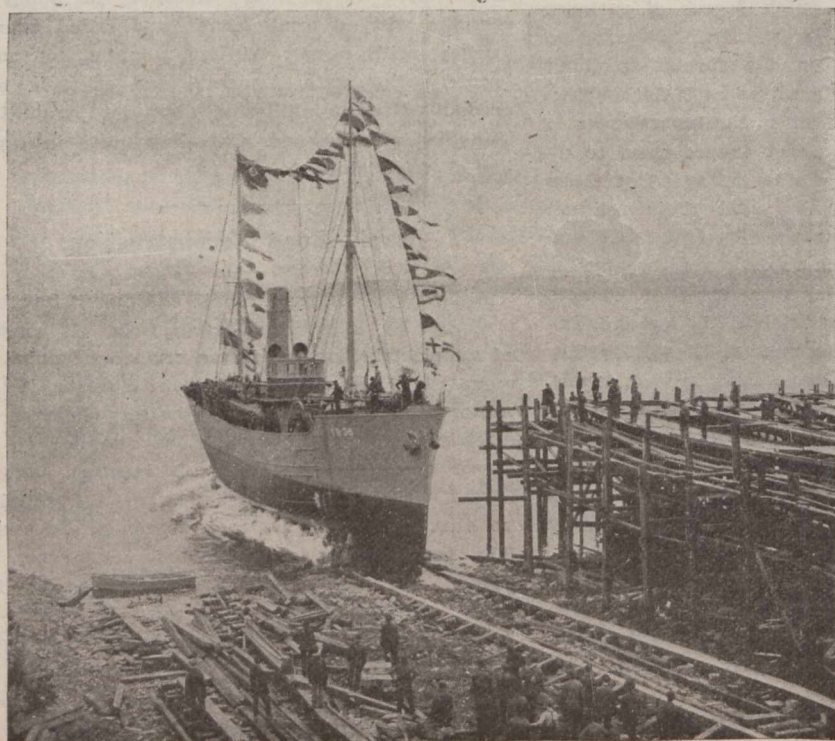
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### Davie Shipbuilding & Repairing Co., Ltd, Lauzon, Levis, P.Q.



TRAWLER  
LAUNCHED  
AT OUR  
YARD

### BLACK DIAMOND

FILE WORKS

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

### G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by  
NICHOLSON FILE COMPANY.

Dividend Notice.

### BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent upon the paid up Capital Stock of this Institution, has been declared for the current quarter payable on and after Monday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1920.

By order of the Board,  
FREDERICK WILLIAMS-TAYLOR,  
General Manager.

Montreal, 20th January, 1920.



## Banks, Banking and Bankers

# Toronto General Trusts Corporation

The Toronto General Trusts Corporation, established in 1882, with branches at Ottawa, Winnipeg, Saskatoon and Vancouver, has just completed one of the most successful business years in its history. On the directorate of the corporation are men who are prominent in Canadian finance, and the balance sheet presented at the recent annual meeting amply justifies the work of those who have directed the last year's efforts.

The balance sheet shows assets amounting to \$101,123,031.51 against assets of \$90,823,629.80 in 1918, making the increase for the year \$10,299,401.71. A considerable increase is shown in the accounts of estates, trusts and agencies which in 1918 where \$25,779,381.08 and are now \$27,885,791.99 but the greatest increase is in the value

of "original assets," including real estate, mortgages, debentures, stocks and bonds, etc. The valuation of these in the 1918 report was \$78,887,301.48 and in 1919 these increased to \$87,763,834.26.

During the past year two of the directors, Mr. W. D. Matthews and Hon. Peter McLaren, died and their place was filled on the board by the appointment of Mr. Lionel H. Clarke, now Lieutenant-Governor of Ontario, and Mr. Robert Hobson of Hamilton.

The profits for the year allowed of the payment of \$180,000 in dividends and bonuses (being 12 per cent on capital stock, and slightly over 5 per cent on stock and reserve fund combined), the writing of about \$20,000 off premises account and the addition of \$103,000 to proper balance.

## Bradstreets' Montreal Trade Report

Bradstreet's weekly report is as follows:—

"The outlook in the dry goods trade for the present year indicates that there will not be any improvement as far as supplies are concerned. The world demand for goods has reached untold huge proportions, and the effort to fill orders by manufacturers is partially paralyzed by the short hours, and scarcity of raw material, prices therefore, keep going up all the time. The exchange situation is another big factor for increasing prices. Silks have advanced 12 to 20 per cent.

"The late big advance in the price of sugar is the means of advancing the price of many lines in the grocery trade. Supplies of refined sugars are being delivered in such small quantities that they barely fill the minutest requirements of the trade. California dried fruits are scarce, and higher. There is a good demand for all variety of nuts. Teas are scarce, prices are practically unchanged but the tendency is upward.

"Winter wheat grades of flour have advanced from \$10.10 per barrel to \$11.25 basis, F.O.B. Montreal. Ontario and Quebec wheat has been advanced by the Canadian Wheat Board twenty-five cents per bushel, the standard price now being \$2.80 per bushel at terminal warehouses. Quebec Government returns for te past year shows a falling off in the yield of wheat but a larger increase in the number of bushels of oats,

barley and rye. Potatoes also gave a much higher yield.

"Custom goods for the past month are the greatest on record for the port, the total receipts were \$5,117,927, as compared with \$3,331,848 for the same month last year. Inland revenue returns also show a big increase as compared with the same month a year ago, which augurs well for this year's business.

"Wholesale and retail trade have been active. Collections are good, money seems plentiful in most cases."

### Montreal-Sherbrooke Service Via Grand Trunk Railway System.

The Montreal-Sherbrooke service of the Grand Trunk Railway System provides a choice of convenient trains Travellers 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 cafe car on the 8.30 a.m. train and parlor car on the 4.16 p.m. train. Returning the traveller may leave Sherbrooke at 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 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.

## Bank of Hamilton

ESTABLISHED 1872

Head Office: HAMILTON

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

## EXPORT TRADE

Manufacturers contemplating the extension of trade in foreign countries are offered the assistance which this Bank's world-wide business connection makes possible.

The experience and facilities of a department of the Bank devoted wholly to foreign business are at your command.

## THE CANADIAN BANK OF COMMERCE

OVER 500 BRANCHES.

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

## The Royal Bank of Canada

Incorporated 1869.

Capital paid up.....\$ 17,000,000  
 Reserve Funds.....3 18,000,000  
 Total Assets.....\$533,000,000

HEAD OFFICE: MONTREAL.  
 SIR HERBERT S. HOLT, President.  
 E. L. PEASE, Vice-President and Man.  
 Director.

C. E. NEILL, General Manager.  
 631 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, BRITISH WEST INDIES, ARGENTINE, BRAZIL and URUGUAY.

SPAIN, Barcelona—Plaza de Cataluna, 6  
 PARIS AUXILIARY—28 Rue du Quatre tembre.

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

SAVINGS DEPARTMENT at all  
 Branches

## THE MERCHANTS BANK

Head Office: Montreal. **OF CANADA** Established 1864.

Paid-up Capital .. \$7,000,000 Total deposits Oct. 31, 1919 \$165,000,000  
 Reserve Funds .. \$7,574,043 Total Assets Oct. 31, 1919 \$198,000,000

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

Vice-President: K. W. Blackwell.

General Manager: D. C. Macarow.

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

### HOW WE CAN SERVE CORPORATIONS AND BUSINESS HOUSES

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

By buying their Drafts and other negotiable paper

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

By making collections in every section of Canada and Abroad.

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



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

Business Founded 1795

## American Bank Note Company

Incorporated by Act of the Parliament of Canada

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

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

## Banks, Bankers and Banking

### The Exchange Rate as a Protection

By Our Banking Expert.

There is only one important compensation for Canada's losses in the Exchange situation, and that is more or less temporary. The premium on New York funds acts as so much additional protection to the Canadian producer against the efforts of American competitors to invade his market. If, as seems to be generally expected, the collapse of foreign exchange leads to a general reduction of commodity prices in the United States, Canada will be exempt from the consequences of that reduction so long as the premium remains. It is true that this may be merely deferring the evil day, but prominent bankers and lenders of industry are of the opinion that it will enable Canada to make her price adjustments more gradually and comfortably than if she were subjected to a flood of surplus American goods seeking a market in the Dominion because they could not obtain one anywhere else.

The most natural means for remedying the present position would be for Canada to buy much more largely of commodities from Europe and thus to take payment in goods for the goods which we sell. But this is a remedy which cannot be effectively applied for many months, or even years. Not only is the productive power of Europe unequal to meeting immediately the needs of a large export trade, but the machinery for marketing European goods in Canada is extremely deficient. The whole of the old-established buying habits of the people would have to be changed, together with a good many of the selling habits of the British and European producers. During 1919 Great Britain took from Canada \$441,000,000 more of commodities than Canada took from Great Britain, and the prospects of this enormous balance being overcome by Canadian purchases from Great Britain is absolutely unthinkable. Professor Leacock, who in spite of his reputation as a humorist is quite a serious economist, is demanding the free movement of gold between nations in settlement of international indebtedness without reference to the current price of the depreciative paper money of the various nations. This is a process which Canada can hardly begin, since unless we can obtain gold from England the present holdings of that metal in the Dominion would scarcely suffice to pay a single year's balance due to the

United States. But there is a shrewd suspicion among Canadian financiers that the United States does not want any more gold and, if threatened with a large influx of it, would be compelled to protect itself by lending it back to the present holders.

#### The Railway Situation on the Gaspé Peninsula.

The Lumbermen's Association of Canada met at Quebec last week and had a number of interesting meetings discussing the many problems of the industry such as fire protection, reforestation and kindred subjects. The last day of the convention saw the formation of another association which is very determined on reaching its objective. The work of this Association will be to secure better railway transportation for the Gaspé peninsula where so much lumbering is being carried on.

The war brought a curtailment of the railway system between Metapedia and Gaspé Basin which the people were willing to accept under the circumstances, but since the armistice the people have been waiting for a return to pre-war service. Instead of this the number of trains between Gaspé Basin and New Carlisle is now three a week. For twenty years before the war the service was a daily one and with the development of lumbering and other industries it is claimed that the number of trains should be greatly increased. There is also a section of the road where the rails are very light, the same as in the road laid down thirty years ago.

Some of the timber limit owners contemplated erecting a new mill on the coast but were obliged to abandon this because of the state of the transportation. The present association will be affiliated with the Lumbermen's Association of Canada but an attempt is to be made to get all the people of the Gaspé peninsula to join them in making representations to the government. It is suggested that the government purchase this railway or if negotiations for this fail, that it be expropriated and operated by the government.

## THE MOLSONS BANK

Incorporated 1855.

Capital and Reserve . . . . . \$9,000,000.00  
Over 120 Branches.

You will nowhere find a more efficient banking organization than that which we offer our customers service and courtesy are the keystones we build on.

Head Office . . . . . Montreal.  
EDWARD C. PRATT,  
General Manager.

#### Covering Iron With Iron.

During the war many worn parts of aircraft machinery and motor vehicles used by the British forces were rapidly repaired in a remarkable way. The metal worn away was replaced by depositing a film of iron by means of electricity. This process was applied in the case of ball bearings and other parts where even a minute amount of wear was so serious that scraping would be necessary. It was also used with machinery which had accidentally been made a few thousandths of an inch too small. The problem of electrically depositing iron is a very difficult one, but the methods developed by British engineers were most successful. By means of heat the metal was laid on so that microscopic examination can detect no dividing line. Much of the research work in this matter was carried on at Sheffield University.



**S**UCCESS 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. 294

THE  
**STANDARD BANK**  
OF CANADA

MONTREAL BRANCH  
136 ST. JAMES STREET  
E. C. GREEN, . . . . . MANAGER

ESTABLISHED 1832

Paid-Up Capital  
\$9,700,000



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

TOTAL ASSETS OVER \$220,000,000

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

**THE BANK OF NOVA SCOTIA**

## Plans of Famous Players Corporation

A wide scope of operations under strong financial and executive direction is indicated by details now available of the organization and financing of Famous Players Canadian Corporation Limited, the formation of which has already been announced in the press.

Capitalization totals \$15,500,000 consisting of \$4,000,000 8 per cent cumulative first shares, \$1,000,000 8 per cent second preferred shares, and \$7,500,000 of common shares. Present issue is being made of the first preferred shares, which, in the absence of bonded debt, are a first charge on both assets and earnings.

The proceeds of the new issue will be applied to the construction and acquisition of fifteen motion picture theatres, in addition to sixteen already controlled, which by the spring of next year will give the new Canadian corporation a coast-to-coast chain of thirty-one theatres, with seating capacity of 45,000. It is understood that by next year, earnings on the corporation's common shares are expected to be at the rate of over 10 per cent.

A valuable asset of the new corporation is its holding of twenty-year option on the first run

in Canada of all films produced by the Famous Players-Lasky Corporation of New York, an organization producing 75 per cent of the films exhibited in the United States and Canada, and controlling the services of many of the best artists in the motion picture field.

A majority of the Canadian corporation's board of directors are leading Canadian business men, both financial and executive control being in Canadian hands. Strong Canadian financial associations are suggested by the presence on the Board of Sir Herbert S. Holt, president Royal Bank of Canada; W. D. Ross, director Bank of Nova Scotia; and I. W. Killam, president Royal Securities Corporation. It is believed that Lord Beaverbrook is interested as well.

Expert technical management is indicated by the presidency of Adolph Zukor, also president of Famous Players-Lasky Corporation of New York. N. L. Nathanson of Toronto is managing director.

It is understood that public issue of the new 8 per cent shares will be made in due course.

Application for listing on the Stock exchanges will follow.

## Canada Now Buying India's Hides Direct

India has long been the great source of supply for goat-skins from which kid and fine leather is made. Some months ago the Indian government placed an export duty of 15 per cent on all out-going hides but arranged to give a rebate of 10 per cent on all hides manufactured within the British Empire. In October a prominent Montreal tanning house said that they were having great difficulty with the matter as all the goatskins imported into Canada came through New York and because of this there was difficulty in proving the claim for the 10 per cent rebate. Since October the exchange rate has also operated against buying through New York and the result is that Canadian tanners are dealing direct with the houses in India. This is an example of a trade preference which is effecting its purpose and is making the Empire self contained.

Some days ago the daily papers announced that as a result of the preference Canada has over the United States in obtaining Indian skins, American tanning companies were prepared to start branches in Canada. A prominent Montreal tanner speaking on this said that this was not at all likely as the Canadian tanners are manufacturing all the leather there is demand for in Canada at present; in fact Canada has exported 40 per cent of her sole leather until recently and on account of the exchange, all export is likely to be cut off. The John R. Evans Company of

Montréal are an example of a Canadian incorporated firm with a parent organization in the United States. They came to Montreal about three years ago and state that their business is purely to supply the Canadian demand and that they have no idea of making Canada the base for export business unless conditions change.

The getting of goatskins at a preference from India is said by Montreal tanners, to be particularly valuable at the present time. Only in kid and fine upper leathers has there been a shortage in the Canadian market and now that Canadian tanners are getting their raw materials in this way they will be able to fill the demand.

There is however one fly in the ointment. Indian houses are complaining that owing to the revolutionary spirit rampant among the natives, skins are not being brought into the centres as they once were. The production of goatskins has fallen off enormously in spite of high prices just as production has fallen off in Western countries owing to the labor unrest.

### All Really Best.

When one reads over the contracts framed up by several standard insurance companies, one cannot wonder that each agent conscientiously believes he has the best proposition going. And when an intelligent prospect comes to appreciate

the ingenuity exercised in preparing business propositions in which the only way you can lose is to refuse to invest, he is almost compelled to believe what the agent says about the superiority of his company's offer. Kipling said:

"There are nine and twenty ways

Of composing tribal lays,

And every single one of them is right."

The tribal lay has nothing on the life insurance policy. There is a chance for a genuinely good contract to suit almost any human whim or set of individual circumstances.

## Dominion Textile Company, Limited

Manufacturers of  
**COTTON FABRICS**

MONTREAL  
TORONTO WINNIPEG

## Saving Moulds Character

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

## The Dominion Bank

## LLOYDS BANK LIMITED.

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



CAPITAL SUBSCRIBED	£56,150,350
CAPITAL PAID UP	8,984,056
RESERVE FUND	9,071,250
DEPOSITS, &c.	309,328,800
ADVANCES, &c.	92,784,877

THIS BANK HAS OVER 1,400 OFFICES IN ENGLAND AND WALES.  
Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the IMPERIAL BANK OF CANADA.

The Agency of Foreign and Colonial Banks is undertaken.

Affiliated Banks:

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

Auxiliary:

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.



### RECORDS OF INSURANCE

One page of the Home Bank's Thrift Account Book is a schedule for recording Life, Sickness, and Accident Insurance, while another page is for recording the details of Property Insurance, bringing all the particulars of these items into a concise form for ready reference. Ask for a copy of the Thrift Book at any office of the Home Bank.

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Transportation Bldg. 120 St. James Street  
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## Canada's Mining Industry

# Canadian Coal For Canadians

Add Exchange to the Price of Coal from the States and it is Prohibitive—How far can we go towards replacing the American with Canadian?

Various difficulties loom up for the future in regard to Canada's coal supply. Just at present the Canadian mines are not producing anything like the quantity they should and in the case of the Cape Breton mines the claim is that they are handicapped by lack of labor. This is the direct outcome of large enlistments of the men, many of whom, have returned unable to follow their old work. The supplies of coal from the United States are destined to be higher in price every year; every increase given to the miners in the States is added to the price of our coal; every drop in exchange means that much more to our prices and lastly there is just a remote possibility—and it is very remote—that the United States will refuse to send us coal unless the restrictions on the exportation of pulp wood from Canada are withdrawn.

The remedy is to produce more coal from Canadian mines and to make it available to a larger area of the country. As water transportation is recognized as being the cheapest this may be accomplished by the deepening of the St. Lawrence system, thus allowing coal to be sent by water to the head of the great lakes.

W. F. Gray, editor of the Canadian Mining Journal, writes on the subject of making the coal from Nova Scotia available to the Eastern half of Canada:

"There are coal mines in Nova Scotia which are much nearer to Toronto by rail than the mines of Cape Breton. The Cumberland coalfield is almost 250 miles nearer Toronto than the Cape Breton mines. There is no need to contemplate the hauling of coal by rail except in a national emergency like the present, but supposing for argument's sake it were done, there would be one advantage in that all the money expended in wages and materials would be spent in Canada and not given to the railroads of the United States. Moreover, it may be pointed out that the cost of the rail haul from Pennsylvania to Toronto is not a purely competitive haul. It is a fortuitously cheap rate, made by the United States railroads to provide an outward freight for cars coming to Great Lakes ports to load iron-ore, which otherwise would make the journey towards Canada unloaded.

The largest tonnage of Nova Scotian coal shipped by water to Montreal in past years was slightly under two million tons, but that quantity did not by any means exhaust the possibility of water shipments from Nova Scotia. The production of coal in Nova Scotia, but for certain unfortunate tendencies, could by this time have reached ten million tons annually, and not two millions, but five millions of tons could have been available for water shipment up the St.

Given sufficient men, sufficient ships and additional unloading capacity at St. Lawrence ports, there is no inherent difficulty in shipping five million tons of coal or more from Nova Scotia to Montreal and points further west.

The coalfield of Pictou is within a half day's railhaul from Halifax, and there is not the slightest reason why Halifax should not become just as important a coal-loading port as Sydney, Cape Breton. Similarly, the port of Parrsboro is within 49 miles of the Springhill Mines, and this port

is already equipped for loading coal cargoes to a much larger tonnage than has yet been attempted.

There seems to be a settled idea that somewhere about Brockville, Ontario, exists a western limit to the competition of Nova Scotia coal with United States coal, but this is a matter that has not been recently tested. While it is unfortunately true that the cost of coal production in Nova Scotia has greatly increased during the war, it is equally true that a great deal of this increase is due to reduced production. While the capacity of the existing coal mines in Nova Scotia for output is gravely decreased it cannot be suggested that the limit of possible production of coal in Nova Scotia has either been reached or attempted. It certainly has not.

It may be soberly stated that the economic possibility of sending Nova Scotia coal to points west of Montreal has not even been examined, let alone tested, under the changed conditions brought about by the war.

Writing later on the subject of the 1919 mining output the same writer says in regard to coal:

"The most disappointing thing about the year's mineral record in the coal production, which, notwithstanding all the lessons of the war, despite a premium of 10 per cent on New York funds, and the recent warnings of the Fuel Controller, actually showed a decline of 2½ million tons from the miserably inadequate figures of 1918. All cause for congratulation on the progress of Canada's mineral industry is offset by our failure to produce a reasonable modicum of our consumption of coal, and by a continuance of the expensive, demoralizing and totally unnecessary luxury of importing United States coal at an annually increasing rate.

"It is reported the Canadian Manufacturers' Association has appointed a committee to enquire into the possibility of decreasing our coal importations by increasing Canadian production. This influential body could not have undertaken a more necessary duty, nor one likely to prove more beneficial to Canada if the subject is enquired into by competent persons. We would add that the supply of Canada's coal needs from her own coal mines or from the coalfields of the United States is not altogether a matter of relative delivered cost of coal; it is not—as has been asserted—a purely economic matter. The matter has some economic bearings—in its effect on Canada's exchange credit and internal employment for example—but its importance lies chiefly in the fact that a country which unnecessarily depends upon a neighbor for an indispensable necessity of life and national growth may find itself in the humiliating position of a beggar, if indeed Canada is not already in that position.

"In 1917 the Dominion Coal Company alone had a programme of seven millions tons per year. Twelve months later the whole province of Nova Scotia can produce but a little more than five million tons.

"Alberta has more coal than any single state in the American union, and far more coal than the rest of Canada put together. Yet it is accounted a matter for congratulation when that province produces six million tons in one year,

and even that really insignificant production has not been maintained.

"It cannot be demonstrated that either Nova Scotia or Alberta have ever supplied coal to that portion of Canada which comes within their proper sphere of distribution. There has never been in Canada any concrete exemplification of the desire of any government to expand the use of Canadian coal in Canada because it was a Canadian product.

"Protective tariffs have their uses, but we need something more than an expedient which merely

(Continued on Next Page.)

### PROFESSIONAL

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



## COAL

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**Century Coal and Coke Company, Limited**

Head Office: 310 Dominion Express Building, Montreal

CRUDE LUMP  
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DEAD BURNED POWDERED

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NORTHERN SECURITIES, LIMITED

Imperial Bank Chambers  
134 King St. East  
TORONTO

## Canada's Mining Industry

### A Lesson For Canada

Five thousand saw-mills in the southern United States will discontinue operations within the next three years owing to the decline in the supply of southern pine. This statement of Col. Henry Graves, Chief Forester of the United States Forest Service, is a startling reminder that the timber resources of America are not unlimited. The men who openly scoffed at the idea of such depletion occurring at all are being rudely awakened and a national forest policy is being advocated and considered with unusual interest in the United States.

The outstanding features of the forest policy recently enumerated by Col. Graves are: First, that the Federal, state and municipal governments largely increase the area of public owned forests either by purchase or exchange for stumpage; second, that Federal aid be provided to the states which are willing to provide the necessary machinery for the protection and reproduction of the forests. The scheme also suggests that assistance be given annually to tim-

berland owners who may be prepared to practise forestry on their lands.

The first, and by no means the smallest, obstacle to such proposals is public apathy. A vigorous educational campaign will be necessary to undo the work of those who persistently instilled the idea into the minds of United States citizens that the forests could not be exhausted. The people must be brought to realize the fallacy of such a doctrine and that only a united nationwide effort can save a great national industry from decline. As soon as public opinion has been aroused, a complete census of existing supplies will be necessary, for such information has never been brought together in the United States.

Canada is undoubtedly in a better position than the United States because a much larger area of her forest lands are still held under the Crown and exploitation has not proceeded so far, so long that the outlay necessary to retrieve their position will be enormous.—A. Donnell, in "Conservatism."

### Central Heating For Canadian Towns

Two of the principal items to be considered in connection with central heating are the cost and the overhead charges involved in the external piping or distribution system. Where the system is only in use for a short period of each year, as in some localities in the United States, these charges are comparatively high, but in Canada, where they would be spread over more than half the year, the financial burden is decreased.

The advantages of central heating plants over individual systems for each house or building are numerous. In an individual system, as a rule, the plant is not large enough to warrant careful operation and the coal is fired in large quantities and at long intervals. To obviate the difficulties of combustion, high-priced coal is burned. It is evident that, if a central station containing a power-plant boiler of standard size, utilizing cheap fuel and operated intelligently, be substituted for the heating plants of several buildings, much of the inefficiency, nuis-

ance and discomfort from small plants would be overcome.

In central heating plants where each building has to be charged its exact proportion for service, the question of rate must be carefully considered. Payment for the use of steam could be at a meter rate based on 1,000 pounds of condensed steam.

An investigation of a large number of plants in the United States in pre-war times disclosed that the average rate was 50 cents per 1,000 pounds of condensed steam. Prices would now probably be from 50 to 75 per cent higher or, say, 75 to 87 cents.

Respecting the economy: If we assume that one pound of steam contains 1,000 heat units and 1 pound of coal contains 13,000 heat units and allow an efficiency of 50 per cent for the coal, then we find that, theoretically, coal at \$13 per ton, if burned in a house furnace, would be equivalent to steam at \$1 per 1,000 pounds, as compared with 75 to 87 cents for a central plant.

#### Canadian Coal for Canadians.

(Continued from Previous Page.)

serves to lessen some of the economic advantages possessed by the United States in the matter of coal importation into Canada.

"We need an active interest in the national aspects of coal supply by our government—provincial and federal—some appreciation of the fact that if we do not develop our coal resources sufficiently at least to put us in a position of respectable national independence and defence there may some day be no necessity for these same governments, who will have been superceded by their economic—and therefore logically and ultimately—their political masters.

"Until our domestic coal supply to some extent approximates to our industrial importance, our national fabric of finance and industry is an inverted pyramid, resting upon a development of our coal resources that is perilously inadequate—and so entirely inexcusable, because so entirely unnecessary.

"The further utilization of Canada's water powers, the use of peat as a fuel the use of the

Souris lignites in gas-producers and other possible aids to the solution of our fuel problem are all matters of proper and even hopeful enquiry, but they can at their best be only partial aids, and the solution to the fuel problem will be found in the adequate development and the extension of the zones of distribution of the bituminous coals of Nova Scotia, Alberta and British Columbia."

With the Nova Scotia coal field producing sufficient for Canada to the head of the Great Lakes and an all water route to provide cheap transportation, Canadian coal should largely replace what is now imported from the United States.

#### And They Were.

The insurance salesman and one of his risks were riding to their offices one morning when the risk turned to the salesman and said:

"This is funny."

"What is funny?"

"We're hurrying downtown to work for each other's living."

## MAPS

OF

### PORCUPINE and COBALT

The most accurate and up-to-date maps of these camps, which I have compiled without regard to cost, are now ready for distribution. Every investor should have these maps.

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Canadian gold and silver stocks a specialty.

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TORONTO

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J. C. 2-10-21

### Insurance News and Views

## Sun Life Had Most Prosperous Year in its History

As previously reported in the Journal of Commerce—Canadian life insurance has had the most active year in its history. In a report showing the growth of their insurance just issued by the Sun Life Assurance Company it would ap-

pear that they have captured an unusually large proportion of the bumper year's business. The contributory reasons for the remarkable growth of the Sun Life's business are undoubtedly; the reputation the company has built up by years of consistent growth and stability of enterprise; the feeling of uncertainty of life generated by the influenza epidemic of a year ago and possibly by the losses in war; the thoroughness of the company's agency system making it ready to take advantage of the receptive state of the public mind; and the general increases in the cost of living, making it necessary for a man who previously had a five thousand dollar policy to double that in order to leave the same adequacy of protection for his family.

The following table indicates the growth of the company over a series of years:

	Income	Assets	Life Assurances in Force.
1872	— \$ 48,211	\$ 96,462	\$ 1,064,350
1884	— 278,380	836,897	6,844,404
1894	— 1,373,597	4,616,419	31,528,570
1904	— 4,561,936	17,851,761	85,327,663
1914	— 15,052,275	64,187,656	218,299,835
1919	— 25,704,201	105,711,468	416,358,462

It will be noted that the income of 1919 exceeds the assets of the company in 1904 and is more than a third of what the total assets were in 1914. Applications for new insurance during the year exceeded one hundred million dollars, a total never before reached by a Canadian company.

New business actually issued and paid for in 1919 also marked a new record. The total was \$86,548,850, an increase of \$34,957,452, or 67.7 per cent. Business in force was increased by \$75,548,895 to the huge total of \$416,358,462. The proportion which the increase in business affords a striking commentary on the increased persistence of the policyholders in maintaining their policies.

Assets crossed the hundred million mark during the year, reaching \$105,711,468, an increase of \$8,091,089. Income gained \$4,053,101, to a total of \$25,704,201. Profits paid and allotted during the year amounted to \$1,606,503. Surplus attained a mark of \$8,037,440. Over \$12,364,000 was paid to policyholders, bringing the total of such payment since organization to \$91,227,532.

The figures of Canada's biggest life insurance corporation for 1919 show remarkable development, and, taken together with those of other companies appear to indicate the commencement of an enormous expansion of the life insurance business in the Dominion.

Results for the year follow:  
Assets at Dec. 31, 1919, \$105,711,468; increase over 1916, \$8,91,089.

Cash income from prem., int., rents, etc., \$25,704,201; increase over 1918, \$4,053,101.

Profits paid or allotted to policyholders, \$1,606,503.

Total surplus, Dec. 31, 1919, over liabilities and capital, \$8,037,440.

Death claims matured and endowments, profits, etc., \$12,364,651.

Payments to policyholders since organization, \$91,227,532.

Insurances issued and paid for in cash, \$46,548,849; increase over 1918, \$34,959,457.

Life insurances in force, Dec. 31, \$416,358,462; increase over 1918, \$75,548,806.

## Solid Growth

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

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

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

**SUN LIFE ASSURANCE COMPANY OF CANADA**  
HEAD OFFICE—MONTREAL

## BUSINESS INSURANCE

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

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

**CANADA LIFE ASSURANCE COMPANY**  
Home Office Toronto

**LONDON AND SCOTTISH Assurance Corporation Limited.**  
Established 1862.  
For All Classes of Life Assurance.

**SCOTTISH METROPOLITAN Assurance Company, Limited.**  
For insurances against Fire, Accident, & Sickness; Guarantee Bonds; Elevator, Automobiles, Public and Teams, and Employers' Liability.

HEAD OFFICES FOR CANADA:  
London & Scottish Building,  
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TOTAL ASSETS EXCEED. . . . \$25,500,000  
Manager for Canada: **ALEX R. BISSETT.**

## The Strathcona Fire Insurance Co.

Head Office: 90 St. James St., Montreal

**Funds Exceed \$400,000.00**  
(including uncalled subscribed capital)

**An Independent Company With Special Rates**

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

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Founded in 1806.

## 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.

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Agents wanted in unrepresented towns in Canada.

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## 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.

## "Solid as the Continent"

The North American Life is high in the esteem of the insuring public. Our representatives are placing unprecedented amounts of new business. Why?

"Solid as the Continent" policies, coupled with liberal dividends and the great enthusiasm of all our agents is the answer.

If you want to associate yourself with a Company that offers its representatives real service, write us. Some good agency openings are available.

Correspond with **E. J. Harvey, Esq.,** Supervisor of Agencies.

**NORTH AMERICAN LIFE ASSURANCE COMPANY**  
"Solid as the Continent"  
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## Commercial Union Assurance Company Limited

OF LONDON, ENGLAND.

The largest general Insurance Company in the World.

Capital Fully Subscribed . . . . . \$14,750,000  
Capital Paid Up . . . . . 4,425,000  
Life Fund & Special Trust Funds 75,578,630  
Total Annual Income Exceeds . . . . . 64,000,000  
Total Funds Exceed . . . . . 172,000,000  
Total Fire Losses Paid . . . . . 215,897,380  
Deposit with Dominion Government (as at 31st Dec., 1918) . . . . . 1,401,333  
Head Office, Canadian Branch:  
Commercial Union Bldgs., 232-236 St. James Street, Montreal, Que.

Applications for Agencies solicited in unrepresented districts.  
**W. J. Jopling, Manager Canadian Branch.**

# Paper Convention Does Good

## High Degree of Co-operation in Newsprint and Paper Industry Largely Responsible for its Splendid Progress— Some of the Results of 1919

The existence of a certain lack of content and mutual comprehension between the makers of paper machinery and the technical experts engaged in the actual operation of it was one of the interesting points developed at the highly profitable and successful convention of the Canadian Pulp and Paper Association. It was suggested that much better results would be obtained if machinery makers would keep in close touch with the men running the machines, and if company executives when buying new machinery would consult their own and other operating chiefs more directly, instead of being governed entirely by their own ideas and those of the makers. Some manufacturers it was reported, were commencing to employ experts whose business it was to remain in the plants where machinery had been erected and study its operations and the possibility of making changes to adapt it even more closely to the conditions required.

The pulp and paper industry is perhaps the best example of general industrial co-operation to be found in Canada, and owes not a little of its present success and progress to this part. The reports of the various sections of the Association all showed a large amount of co-operative work performed and general benefit resulting therefrom. The Newsprint Section has been most in the public eye owing to its being engaged in constant conflicts over the question of regulation. But if it were not for this need for defensive action this section would be no more conspicuous or important than several others. The Chemical Pulp Section has done particularly good work for the improvement of industrial processes. It has held four meetings during the year at all of which means for bettering the industry and closer co-operation were planned. With this object in view a large body of pulp manufacturers attended a joint meeting of the American and Canadian manufacturers in New York in April last and fully discussed plans for closer co-operation with the American Association and also the adoption of the Kessinger plan for securing statistics and compiling them. After some months of work on this plan it was abandoned as unworkable, largely owing to the heavy financial burden the Canadian manufacturer would have to assume.

This section also recommended the adoption of a uniform cost system and it is hoped it will ultimately be adopted by the Association. Several mills are now exchanging their cost sheets and obtain great value by this co-operation.

The Book and Writing Section also reported that considerable progress has been made toward further standardization in which the Canadian Paper Trade Association have shown much interest. In fact one of the happy features of the year's work has been the co-operation existing between the two Associations. Meetings of the joint committees have been held and suggestions exchanged, all of which have tended toward the stabilization of business.

The Technical Section, which is of course in many ways the backbone of the Association, did excellent work throughout the year. It secured a much larger attendance of the non-technical business men of the industry than hitherto, and its report observes:

"This section very much appreciated such a move and hopes that in the future business men of the industry will participate more fully in the meetings of this section, whose aim is to co-ordinate technical knowledge, to improve the operating practice of your plants, and to manufacture

economically products to suit the commercial requirements of the industry."

This section has a Committee on Education which reports good progress in preparing a set of textbooks for the industry, and has done much other important work to improve the efficiency of pulp and paper workers in Canada.

The Woodlands Section has done much work during the year, especially in regard to methods of cutting and reforestation, in which it co-operated largely with the Canadian Forestry Association.

One regrettable condition was revealed at the Convention. The Technical Section reported that:

"The Advisory Committee to the Forest Products Laboratory has as yet not succeeded in bringing about the desired activity. Your representative has through the Technical Section brought before you the pressing facts of the situation, and although the Executive of the Association have authorized a substantial yearly con-

tribution toward the Superintendence of the Forest Products Laboratory the Government has as yet not advised whether such a proceeding is acceptable, hence the matter is still in abeyance."

### THE FOUNDATION OF A GREAT SUCCESS.

The world-famous merchant, John Wanamaker attributes his phenomenal success to having carried life insurance on the endowment plan. This system encouraged him year by year to lay by a fixed amount of money. As means increased, additional policies were taken and as they matured the proceeds were invested in new departments in connection with the business. These endowment policies helped greatly in the accumulation of capital. Every young man should carry endowment insurance. It furnishes a motive for saving. Money that might otherwise be dissipated is accumulated—and at good interest. Many have laid the foundation of success, not so notable perhaps as that of the Philadelphia Millionaire, through investing in endowment policies in the Mutual Life of Canada.

Do not spend your surplus, lay it by for a sunny day by means of a Mutual Life Endowment.

The Mutual Life Assurance Co. of Canada  
WATERLOO - - - ONTARIO.

# CANADA CEMENT COMPANY LIMITED

## Consolidated Balance Sheet, December 31st, 1919

ASSETS.		
<b>Property Account:</b>	Land, Buildings, Plant, Equipment, etc., at original cost with subsequent additions	\$28,172,180.10
	less Depreciation to date	3,602,611.18
<b>Investments</b>		660,000.00
<b>Call Loans (Secured)</b>		
<b>Current Assets:</b>		
	Inventories	\$1,972,643.05
	Accounts Receivable, less Bad Debts Reserve	562,910.15
	Bills Receivable	7,400.00
	Deposits on Tenders	100,131.72
	Cash	12,076.52
		2,655,211.44
<b>Deferred Charges to Operations</b>		53,608.16
		<b>\$35,143,610.88</b>
LIABILITIES.		
<b>Capital Stock:</b>		
	Authorized:	
	Preferred—110,000 Shares Seven Per Cent. Cumulative of \$100.00 each	\$11,000,000.00
	Ordinary—190,000 Shares of \$100.00 each	19,000,000.00
		\$30,000,000.00
	Issued:	
	Preferred—105,000 Shares Seven Per Cent. Cumulative of \$100.00 each	\$10,500,000.00
	Ordinary—135,000 Shares of \$100.00 each	13,500,000.00
		\$24,000,000.00
<b>First Mortgage Six Per Cent. Twenty Year Gold Bonds:</b>		
	Authorized and Issued	\$8,000,000.00
	LESS: Redeemed through Sinking Fund	1,390,486.70
		6,609,513.30
<b>Current Liabilities:</b>		
	Accounts Payable	\$ 408,527.43
	Bond Interest accrued at December 31, 1919	99,142.71
	Preferred Dividend No. 40 payable February 16, 1920	183,750.00
	Ordinary Dividend No. 15 of 1½ per cent paid January 16, 1920	202,500.00
		893,920.14
<b>Reserves:</b>		
	Extraordinary Repairs and Renewals	\$ 275,000.00
	Cotton Sacks outstanding	150,000.00
	Industrial Accidents	54,200.00
	Fire Insurance	1,011,119.82
	Contingent Reserve (a portion of which is available for Government Taxes)	725,000.00
		2,215,319.82
<b>Surplus:</b>		
	Balance December 31, 1918	\$2,677,643.66
	Income from Operations and Investments after deducting \$1,149,584.35 for Depreciation and Special Equipment written off	\$1,907,969.46
	DEDUCT: Bond Interest	406,793.26
		\$1,501,176.20
	DEDUCT: Transfers to Reserve Accounts:	\$4,178,819.86
	Fire Insurance	\$1,011,119.82
	Contingent	172,842.42
	Extraordinary Repairs and Renewals	25,000.00
		1,208,962.24
	DEDUCT: DIVIDENDS:—	\$2,969,857.62
	On Preferred Stock	\$ 735,000.00
	On Common Stock	810,000.00
		1,545,000.00
		1,424,857.62
		<b>\$35,143,610.88</b>

**AUDITORS' REPORT TO THE SHAREHOLDERS:**  
We have examined the Books and Accounts of the Canada Cement Company Limited for the year ending December 31st, 1919, and have obtained all the information and explanations which we required; and we certify that in our opinion the above Balance Sheet at December 31st, 1919, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

**Approved on Behalf of the Board,**  
F. P. JONES, Director.  
H. L. DOBLE, Director.

PRICE WATERHOUSE & CO., Auditors.  
Montreal, January 30, 1920.

## The Pulp and Paper Industry

# The Pulp and Paper Industry

**Special Qualifications of Engineers Fitting Them for Supervising This Industry—Reforestation a State Affair—Methods of Foresting—Profiteering**

At the Convention of the Engineering Institute of Canada in Montreal the following article was delivered by Ferd Van Bruyssel, a distinguished Belgian engineer. Mr. Van Bruyssel in his introductory remarks referred to his membership in the Belgian Society of Engineers and to the fact that before ascending the throne, the present sovereign often attended their meetings and engaged actively in the discussion of the subjects. He spoke of the pleasure he had had when last before the Belgian Engineering Society in delivering a paper on the production of steel in Canada. Mr. Van Bruyssel has long been actively interested in Canadian projects while at the same time keeping closely in touch with developments in his own country.

The problems of the pulp and paper industry are of immediate concern to professional engineers, because they are better fitted than any other class of men to become executive officers in the production of pulp and paper. Primarily they have sufficient theoretical and practical knowledge of the arts and sciences applied in this industry, so being able to exercise proper control over the specialists employed, such as chemists and mill superintendents. Furthermore, through experience in general or railway construction, engineers ordinarily have acquired business acumen and have cultivated the faculty of understanding and leading men, such qualifications being essential in administrators of large manufacturing enterprises. Forestry operations, including reconnoitring, surveying, topographical plotting, locating and making roads, mechanical means for cutting and transporting logs, all within our immediate scope as professional engineers, are now preferably conducted by progressive young men, who logically must be styled forestry engineers. Given a course in silviculture, any civil or mining engineer also would be a forestry engineer. But whoever is only able to tend machines and to make good paper, or to follow the process with the necessary chemical and physical tests, could not be expected to grasp the other features of the undertaking as a whole.

Because of the remoteness of the crop in point of time, reforestation on Crown lands is essentially a State affair, in which intervention by the pulp and paper companies can only be accounted for by their hope to subsist during several spans of tree life. Although assistance from private sources is to be welcomed, the burden and imperative duty of preserving the trees undoubtedly lies with the public authorities. They have to consider, for the welfare of present and future generations, not only the value of wood, as such, but the climatic cultural influences of the forest, its bearing upon the water flow, also upon the prevention of erosion and sand drifting.

The Quebec Government has evidenced full appreciation of the immense responsibilities involved. And this reminds me that it is only fair to pay a passing tribute to the present Provincial administration, which is recognised to be patriotic, progressive and wise.

Returning to my subject, for I am not yet out of the woods, let us note with pleasure that, in this province and others, constant attention is being given to the differentiation between lands arable and lands unfit to bear anything but trees, or so situated on mountain slopes, on the banks and in the drainage basins of rivers that deforestation there must entail disastrous results. Such classification, laboriously effected by virile governments, should be made so secure as never to be undone by weak ones. Insuperable and permanent barriers should oppose the advent of fraudulent settlers intent upon wood piracy, and of deluded settlers, pitching upon ingrate and shallow soil.

The point is now reached where it becomes necessary to enter gradually upon more controversial ground, beginning with a denunciation of the prevalent methods of lumbering. If I am rightly informed, certain changes in the existing regulations applicable to felling on the Crown domain are under advisement. These changes would make it quite feasible to exploit economically while increasing the productivity of the forest. Just now, it is invaded by jobbers and their hordes, who are free to prey upon all conifers of more than a prescribed minimum diameter. Poplars and other deciduous trees in remote places are not attacked. As a consequence, the spared stands are no longer mutually supporting units in a solid mass, for this has become pitted with the voids first made by saw and axe, and subsequent-

(Continued on Page 25.)

## St. Maurice Paper Company Limited

Head Office  
522-524 Board of Trade Building  
Montreal

MANUFACTURERS OF  
NEWS PRINT, SULPHITE,  
KKAFT, 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.

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

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Espanola, Ontario.  
Sturgeon Falls, Ontario.

Cable Address  
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MANUFACTURERS OF

Spruce Lumber, Lath, Cedar Shingles, Ties,

Pulpwood, Sulphite and Groundwood

Pulp, Newspaper, Cardboard, &c.

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People in the United States and Canada paid \$675,000,000 to see the "movies" in 1918. They paid \$800,000,000 to see them in 1919. The growth of the Motion Picture Industry has been little short of phenomenal. Large, well-managed Motion Picture Theatres have proved most profitable enterprises.

We will shortly offer the 8% Cumulative Preferred Shares of the Famous Players Canadian Corporation, just launched to control not only a coast-to-coast chain of 31 large Motion Picture Theatres in Canada, but the first releases of all "Famous Players" films. It is one of the most promising enterprises we have yet financed.

Write now for advance prospectus and full particulars.

33

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MONTREAL

Toronto    Halifax    St. John, N.B.  
Winnipeg    London, Eng.

## The Pulp and Paper Industry

### The Pulp and Paper Industry. (Continued from Page 24.)

ly enlarged by wind falls. In these voids naturally are seeded quick growing, leaf bearing trees whose crowns soon dominate the remaining conifers, so impeding and even arresting their further vegetation.

Experiments based upon known methods of exploiting the natural forest are very properly being conducted in various locations by our newly acquired scientific foresters; but I am at issue with any who would have us defer for a half century, or until such time as the final results of the experiments may have been recorded, the accomplishment of reforms which are imperatively needed at once, if any natural forest is to be left for improvement.

We already know full well that in the present practice, there is a tendency in Canada to make the largest possible cutting; that an improvement upon this consists in removing the useful timber, while having some regard for the future of the young growth, the eradication of weed trees and the sparing of necessary seed trees. In another method, trees are felled in groups, so as to provide openings for natural seeding, such openings being periodically enlarged, after the young growth is well established, to obtain a further young growth in more or less concentric rings. Finally, the clean cutting method, already described, receives various applications designed to secure protection from wind for the trees remaining uncovered on the side next to the razed strips.

While the relative merits of all these sylvicultural systems have been proven in European practice, there is a tendency in Canada to make light of such experience, under the mistaken idea that conditions on the one continent are entirely different from those prevailing on the other. Contrariwise, I claim that in either case are to be found conditions, both economic and natural, so similar as to call for identical processes. In parts of Scandinavia, the climate, soil, vegetation and fauna closely resemble our own; moose and beaver bestir themselves among spruce and alder and birch and mountain ash. There can be no reason for ignoring data recorded in such an environment, by experts trained in the same schools as our first instructors in the economics of forestry.

There is now something to say on the Quebec tenure of timber limits, since the very existence of paper mill companies depends thereon, particularly if the investment of several million dollars they have made in plant has been located near the source of wood supply, at some remote inland spot connected with the railway.

If a capitalist, or representative of some financial group intent upon industrial promotion, should recognize on first inspection the apparent advantages of a certain Quebec location for the establishment of a paper mill, nothing can be done in development until time and treasure be spent for quantitative, qualitative and cost investigation of the proximate forest, available water power, site for the plant, labour and transportation. Should the findings lead to further action, the next and only step is to put in a petition for the sale by auction of the limits involved (Art. 1623 of the R. S. Quebec). But it may be the right policy for the Government to defer such sales for years or at any rate until prospective transactions warrant the advertising and other expenses involved. Meanwhile the favourable moment for embarking upon the project may have passed; or the parties may have become interested elsewhere. Assuming however, that the sale be called in good time for the promoters, they must meet there the competition not only of speculators, but also of operators who would carry off

the timber for use in other parts, thereby destroying a natural combination of power and raw material which should have been utilised for the establishment of a great industry. Granted that such competition be overcome in the bidding, or that title be acquired by subsequent purchase, the result is an enhanced outlay, representing interest which ever is to remain a fixed charge upon the wood cut in each year, and while selling at the highest obtainable price is of fiscal benefit to the province, it may be more in the general interest to avoid impairing the advantage which our possession of relatively cheap wood affords in the international struggle for supremacy over the paper trade.

We have been referring to the title obtainable at public auction to timber over part of the Crown domain. What is the nature of this title? In the terms of the law (R. S. Quebec, Art. 1597) it is a license "to cut timber on ungranted lands of the Crown at such rates, and subject to such restrictions as may, from time to time, be established by the Lieutenant-Governor in Council, and of which notice shall be given in the Quebec Official Gazette."

Art. 1598 provides that "No license shall be granted for longer than twelve months from the date thereof. . . ."


Art. 1600 stipulates that "such license shall vest in the holder thereof all rights of property in all trees, timber, and lumber cut within the limit of the license during the term thereof, whether cut by authority of the owner of the license, or by any other person with or without his consent."

The Regulations now in force by virtue of the first cited article of the law are embodied in an Order-in-Council under date of April 26th, 1910, revoking all previous regulations "incompatible with the present" and amended in its turn by an Order-in-Council of June 13, 1918.


Its clauses having a distinct bearing upon the answer to our question are as follows:

"1.—All licenses to cut timber are subject to a yearly ground rent of five dollars per square mile or fraction of a square mile, dating from the 1st September, 1910. They are granted for twelve months from the first of May to the thirtieth of April and after their issue, no claim shall be admitted for the repayment of any overcharge for ground rent or fire tax due to the incorrect measurement of the area of the limit."

(Continued on Page 26.)




Like The Hall Mark On Silver  
Is The Watermark On Paper



THIS WATERMARK

Guarantees





Quality

Look for it in all our Stationery

## Howard Smith Paper Mills, Limited

Montreal

## Interlake Tissue Mills, Limited

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

Head Office, 331 Telephone Building  
**TORONTO**      Mills at Merritton

## Earnscliffe Linen Bond

This announces that "Earnscliffe" a favorite Canadian made bond paper is now being made in eight tints as well as White.

An attractive book showing samples of these colors, handsomely printed and lithographed has been prepared. Ask for one on your business stationery.

MADE IN CANADA  
By

## The Rolland Paper Co. Limited

Mills at  
St. Jerome and  
Mont Rolland, Que.



Head Office  
142 St. Paul St. West.  
Montreal Que.

### The Pulp and Paper Industry.

(Continued from Page 25.)

"2.—Licenses expire on the thirtieth of April following the date of their issue, but the licensee having complied with existing regulations is entitled, up to the first of September following, to a renewal of his license. He shall forfeit such right through any infringement of the law and of the regulations. The Minister of Lands and Forests may, however, permit the renewal of the license on payment of the ground rent and of any other penalty he may be pleased to impose."

Besides increasing the stumpage dues, the amendment hereto also raises the ground rent to \$6.50 for the years 1919-20 to 1923-24, and to \$8.00 for the years 1924-25 to 1928-29 inclusively, and provides that such ground rent may at any time be augmented in the case of licensees who do not exploit their limits, the Crown to determine the quantity of wood to be cut for constituting sufficient exploitation.

It is necessary to quote the whole of the clauses, 4, 5 and 6 of the Order-in-Council, but they stipulate that "transfers of limits or of divided or undivided portions thereof are effected in writing, subject to the Minister's acceptance and to the payment of a transfer bonus of four dollars for every square mile or fraction of a square mile. . . ."

Regarding the right to renewal, the recited text of the Order-in-Council has not always been construed in the light of the law whence it originates. But we may perhaps safely conclude that any and all contradictory interpretations would surely be supported most ably by distinguished barristers. On the one hand, from the inception of the system, renewal for licensees in good standing has been so absolutely and invariably conceded as to create a rule or precedent upon which might properly be founded a claim to the existence of a vested right, or of a tacit agreement. Obversely, it may be contended that perpetual alienation can never have been intended by the legislator, and such opinion might be sustained by recalling an Order-in-Council of Oct. 2nd, 1868, which, although repealed, is quite illuminative of what has been done and can be done again to limit the period during which yearly licenses are renewable. For it is decreed, in words translated from the French, that "licenses for rental of timber limits be renewable annually for a period of time to extend until the 30th of April, 1889, Government reserving the right to change the stumpage tax once during such period, but this shall not be done before the 1st of September, 1878."

Certainly, we remain confident that, in their wisdom, such a Government as it is our privilege to have now at the helm would strenuously oppose any measure calculated to jeopardize the great investments in the lumber and paper industries of this province. Still these are troublous times of socialistic encroachment, where one may well consider the expediency of resting the said investments upon the unquestionable foundation of a long term lease, instead of a yearly license, even if the latter be indefinitely renewable. In fact, such leases are now current in the case of water powers. The time limit might be fixed with due regard to the amortization of the capital outlay in plant or construction, and to the fact that the lessee must be allowed to reap sufficient benefit from the improved silvicultural methods which should be made to prevail.

Let the rental equal the interest, at the rate of Government loans, upon a proper valuation of the limits. To conform with the law and to prevent collusion, the basis for rent should be determined by selling the lease publicly, the bids starting from an upset or reserve valuation. The lease would be subject to such conditions as (1) the erection and operation of a mill of a capacity proportionate to the resources of the given location as to timber and power; (2) the payment, besides

rent, of the stumpage dues, actual or future, imposed upon all licensees.

So would be eliminated the speculator and the operator aiming to take the timber away from a location which it might be desirable to assign for a paper mill. And on request of any well qualified party, the limits and water power connected with such location could be reserved for a reasonable time to be occupied in actual investigation and survey, it being understood that, on further request, the lease of the limits would be sold by auction after sufficient public notice, and that the lessee of the limits would also receive a lease of the water power under the now established terms.

This arrangement must certainly serve to favour the building of new paper mills in all the remaining places suitable for operations on the large scale seemingly indispensable for success in the industry.

Pray understand clearly that while I am proposing the long lease system in regard to all future concessions, it is not suggested that this system be imposed upon present licensees, who would not be disturbed in any way if it were adopted. But they must have the option to come under the new regime, or to remain under the old. In the former case, since any renewals of existing licenses are not subject to further public competition, the basis of rental might be, in all fairness, the premium originally paid for the limits, irrespective of transfer.

Apart from its trend for the general good, the proposal as outlined may commend itself to the Government, because it involves a regular, if not an increased income for ordinary revenue, and consequently, a sounder financial status than is afforded by sporadic and uncertain returns in lump sums, properly for entry to capital account.

Paternity of the underlying idea is disclaimed, since in Ontario, if not elsewhere, timber leases covering definite periods have been issued to pulp and paper companies.

Statistics are for reference in the course of study, and it is futile, even impolite to quote them at any length on an occasion like the present.

But if you should desire to be given particulars regarding the cost of making paper, exact data are available. In 1917, the Attorney General of the United States instituted a proceeding in equity under the Sherman law against a number of American and Canadian manufacturers. They filed answers and consented to a decree. Prior to that decree, they entered with the Attorney General into an agreement with the object of proving that no unfair price had been charged for their product. This led to a thorough investigation of their books and records by Messrs. Price, Waterhouse & Co. and Perley, Morse & Co. These accountants included in the cost reports an item for stumpage of \$2.00 per cord of rough wood for every company except one American company, and \$2.40 per cord for that company; a charge of \$3.20 for every ton of newsprint produced was also included for depreciation. Under these conditions, the total cost per ton of paper, in the case of 9 typical companies concerned, ranged from \$39.96 to \$53.48 per ton in 1917 and averaged for the first quarter of 1918 from \$46.87 to \$62.39. And there is evidence to the effect that such cost, including no return on the investment, is steadily advancing. The wood is taken into the cost figure for the first quarter of 1918 at figures varying for the different mills from \$9.56 to \$16.83 per cord of prepared wood. Since one and one-tenth cords of prepared wood are required for the production of one ton of newsprint paper the value of the wood in one ton of paper represents from \$10.52 to \$18.51. As to the value of the investment, it has been demonstrated to average from \$40,000 to \$45,000 per ton capacity, exclusive of wood lands. On the basis of \$45,000, and allowing 20 per cent on this, we have a profit of \$30 to be added to the costs. Allowing 10 per

cent a profit of \$15.00 is to be added to the costs.

On the basis of \$40,000 a 10 per cent return gives \$13.33 per ton to be added to the costs.

I am now prompted to commit perhaps an indiscretion by reading a verbatim excerpt from the brief on behalf of the manufacturers, one of which is fully designated:

"We will now take up the schedule of costs, as made up and submitted by the accountants for the Federal Trade Commission, and we will select therefrom the lowest average cost of any of the companies, for the first three months of 1918.—We find this to be the costs of the Belgo-Canadian Pulp & Paper Company, Ltd., to wit, \$46.66. Adding \$13.33 to this, it will be seen that the selling price comes to exactly \$60.00. But by adding this insignificant rate of returns on this inadequate value of the investment, to the cost of other companies such as—(here I suppress names) we arrive at a sum in excess of the price fixed by the Federal Trade Commission, as an alleged just and reasonable price."

In calling attention to the above record made by the Belgo-Canadian Pulp & Paper Company, I am not actuated by pride of nationality, being a Belgian, nor personal gratification over the generally known fact that I initiated and located the enterprise, after an investigation into the relative advantages of the sites then available and accessible in Eastern Canada. But, in view of what has been said about the superior qualifications of professional engineers for being general managers of paper mills. I wish you to know that the first expert sent out from Belgium to take charge of the Belgo-Canadian Company's affairs very nearly wrecked the plant and the concern as well; the second specialist became almost immediately the victim of a fatal accident, so that it was only when an engineer, Mr. Hubert Biermans, became the head, that the efficiency which has been evidenced, was obtained, and his success has derived from the ability obtained in his engineering practice, to surround himself with a very competent staff. The mill superintendent, whom I believe to be himself an engineer, is unexcelled in the business.

Having given you a glimpse into the books of newsprint paper mills, I am to call attention upon the fact that theirs is an industry requiring, besides the initial investment, a proportionately large working capital, of which the turn-over must be obviously slow. It is one of the largest of our industries, represented by about fifty separate companies on this Continent. Their annual aggregate production amounts to two million tons of newsprint paper, more or less. Only through ignorance, or in bad faith, have they been charged with profiteering.

In the brief for the manufacturers before the United States Circuit Judges, it is stated that: "The International Paper Company and the Spanish River Pulp & Paper Mills, Ltd., with an aggregate daily tonnage capacity of 1674 tons of newsprint paper, which is more than 25 per cent of the entire production in North America, have, for years been turning out this product with practically no profit to themselves. Think of the Spanish River Company producing 132,000 tons of paper annually for five years, or about 660,000 tons of paper, and failing even to pay the interest on its little bond issue of \$12,000,000; think of the International Paper Company producing 17,200,000 tons of newsprint in twenty years, and only paying interest on a bond issue of \$12,000,000 and a dividend on about \$20,000,000 of preferred stock."

The tide having now turned in favor of the manufacturers, nobody should begrudge them the compensation which a long period of prosperity can afford. Nevertheless, they have been submitted to an unprovoked assault, which, in our own country, has been supported by the extraordinary power given to the Federal Government under war conditions.

(Continued on Page 28.)

# The Toronto General Trusts Corporation

## THIRTY-EIGHTH ANNUAL REPORT—TOTAL ASSETS NOW EXCEED ONE HUNDRED MILLIONS.

The Thirty-Eighth Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Head Office of the Corporation in Toronto on Wednesday, the Fourth of February 1920, at 12 o'clock noon. The President of the Corporation, Hon. Featherston Osler, K.C., D.C.L., presided, and Mr. W. G. Watson, Assistant General Manager, acted as Secretary of the Meeting. Mr. A. D. Langmuir, the General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1919, accompanied by the usual statements showing the result of the operations for the year.

### THIRTY-EIGHTH ANNUAL REPORT OF THE BOARD OF DIRECTORS (being for the year ended 31st December, 1919)

#### TO THE SHAREHOLDERS—

Your Directors have pleasure in submitting the Thirty-eighth Annual Report of the Corporation, together with the usual statements showing its operations for the year ended the 31st of December, 1919.

The gross profits for the year, after providing for all ascertained or anticipated losses, amount to \$757,338.05. The administration expenses, including salaries, Directors' and Auditors' fees, advertising, rent, taxes, etc., amount to \$413,354.16. This, as you will observe, makes our net profits for the year \$343,983.89. To this amount must be added \$152,812.13 brought forward on the 1st of January, 1919, making a total of \$496,796.02, which has been dealt with by your Directors as follows:—

To payment of four quarterly dividends at the rate of ten per cent per annum . . . . .	\$150,000.00	
To payment to the Shareholders of—		
One per cent Bonus on 2nd July, 1919 . . . . .	15,000.00	
One per cent Bonus on 2nd January, 1920 . . . . .	15,000.00	
To Amounts subscribed as follows:—		\$180,000.00
Repatriation Campaign . . . . .	5,000.00	
Salvation Army . . . . .	1,000.00	
Navy League of Canada . . . . .	500.00	
		6,500.00
To Amount provided for 1919 Federal Income Tax (payable in 1920) . . . . .	25,000.00	
To Amount written off Head Office Building . . . . .	19,767.00	
To Balance carried forward to credit of Profit and Loss . . . . .	265,529.02	
		<u>\$496,796.02</u>

The Assets and Liabilities Statement shows an increase of assets over the preceding year of \$10,290,401.71, making the total volume of assets now in the hands of the Corporation \$101,123,031.51.

The subscriptions to the Repatriation Campaign, Salvation Army, and Navy League of Canada, which the Board of Directors have made on your behalf, will be submitted for confirmation at the Annual Meeting.

It is with regret your Directors have to report the death during the year of Mr. W. D. Matthews and Hon. Peter McLaren, two valued members of the Board. The vacancies on the Board have been filled by the appointment of His Honour Lionel H. Clarke, Lieutenant-Governor of the Province of Ontario, and Mr. Robert Hobson, of Hamilton. All of which is respectfully submitted.

A. D. LANGMUIR, General Manager.

FEATHERSTON OSLER, President.

Toronto, January, 20th, 1920.

### ASSETS AND LIABILITIES STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1919.

ASSETS.		LIABILITIES.	
<b>CAPITAL ACCOUNT—</b>		<b>CAPITAL ACCOUNT—</b>	
Mortgages on Real Estate . . . . .	\$1,947,240.85	Capital Account . . . . .	\$1,500,000.00
Government and Municipal Debentures . . . . .	401,065.37	Reserve Fund . . . . .	2,000,000.00
Loans on Debentures, Stocks and Bonds . . . . .	279,750.31		\$3,500,000.00
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under Administration by the Corporation . . . . .	376,987.50	Dividend No. 94 due January 2nd, 1920 . . . . .	\$37,500.00
Real Estate:		Bonus of One per cent payable January 2nd, 1920 . . . . .	15,000.00
Office Premises and Safe Deposit			52,500.00
Vaults at Toronto and Ottawa \$725,000.00		Interest in Reserve . . . . .	35,000.00
Accrued Rents re Offices and		Appropriation for Federal Income Tax and Sundry Accounts . . . . .	29,608.65
Vaults at Toronto and Ottawa 4,975.22		Profit and Loss . . . . .	265,529.02
	729,975.22		
Cash on hand and in Banks . . . . .	147,618.42		
	<u>\$3,882,637.67</u>		<u>\$3,882,637.67</u>
<b>GUARANTEED ACCOUNT—</b>		<b>GUARANTEED ACCOUNT—</b>	
Mortgages on Real Estate . . . . .	\$7,045,987.67	Guaranteed Funds for Investment . . . . .	\$9,476,559.58
Government and Municipal Debentures . . . . .	2,240,597.18		
Loans on Debentures, Stocks and Bonds . . . . .	90,800.00		
Cash on hand and in Banks . . . . .	99,174.73		
	<u>9,476,559.58</u>		<u>9,476,559.58</u>
<b>ESTATES, TRUSTS AND AGENCIES—</b>		<b>ESTATES, TRUSTS AND AGENCIES—</b>	
Mortgages on Real Estate . . . . .	\$13,521,264.92	Trust Funds for Investment or Distribution . . . . .	\$27,885,791.99
Government and Municipal Debentures . . . . .	11,053,176.32	Inventory Value of Original Assets of Estates and Agencies under administration by the Corporation . . . . .	59,878,042.27
Stocks and Bonds . . . . .	1,273,711.56		
Loans on Debentures, Stocks and Bonds . . . . .	983,302.53		
Sundry Assets . . . . .	4,965.84		
Cash on hand and in Banks . . . . .	1,049,370.82		
	<u>\$27,885,791.99</u>		
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value . . . . .	59,878,042.27		
	<u>\$87,763,834.26</u>		<u>\$87,763,834.26</u>
	<u>\$101,123,031.51</u>		<u>\$101,123,031.51</u>

#### AUDITOR'S REPORT.

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of The Toronto General Trusts Corporation to 31st December, 1919, and find same to be correct and properly set forth in the above statements of Profit and Loss and Assets and Liabilities. We have examined, and find in order, all the mortgages, debentures, bonds and scrip of the Corporation, as well as those negotiated for the Supreme Court of Ontario, and Trusts, Estates and Agencies in the Corporation's hands, and we have checked same with the mortgage and debenture ledgers and registers. The Trust investments and funds are kept separate from the Corporation's own securities and funds, and all securities are so earmarked in the books of the Corporation as to show the particular Estate, Trust or Guaranteed Account to which they belong. The Banker's Balances, after deducting outstanding cheques, agree with the books of the Corporation. All our requirements as Auditors have been complied with. We have also examined the reports of the Auditors of the Winnipeg, Ottawa, Saskatoon and Vancouver Branches, and find that they agree with the Head Office books.

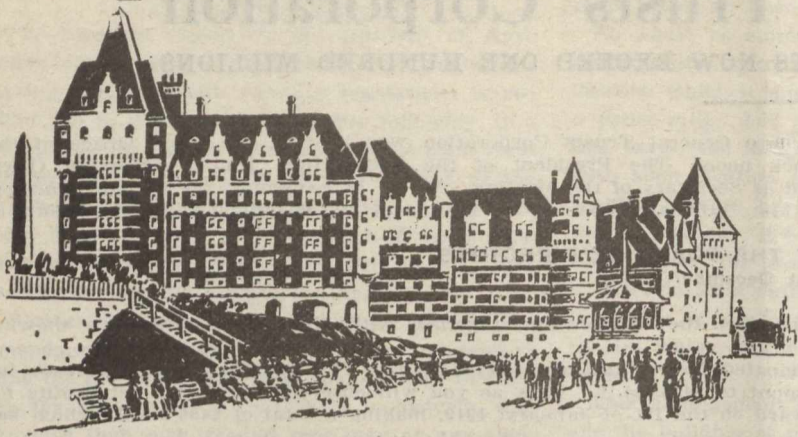
After due consideration we have formed an independent opinion as to the position of the Corporation. In our opinion so formed, according to the best of our information and the explanations given to us, we certify the above statements set forth fairly and truly the state of the affairs of the Corporation, and are in accordance with its books. All transactions for the Corporation that have come within our notice have been within the powers of the Corporation.

J. GEORGE, F.C.A., "Can." Auditors.  
R. F. SPENCE, F.C.A., "Can."

Toronto, January 20th, 1920.

The meeting was then addressed by the President and the General Manager. The report of the Directors and the accompanying Statements were duly adopted, a resolution was passed confirming the subscriptions mentioned in the Directors' Report to the Shareholders, and the following shareholders were appointed Directors for the ensuing year: Hamilton Cassels, K.C., LL.D.; Hon. W. C. Edwards; Wellington Francis, K.C.; Brig.-Gen. Sir John M. Gibson, K.C.M.G., LL.D.; Arthur C. Hardy; John Hoskin, K.C., LL.D.; Lieut.-Col. R. W. Leonard; Thomas Long; J. Bruce Macdonald; Hon. Sir Daniel M. McMillan, K.C.M.G.; Lieut.-Col. Jno. F. Michie; E. T. Malone, K.C.; Sir Edmund B. Osler; Hon. Featherston Osler, K.C., D.C.L.; J. G. Scott, K.C.; Sir Edmund Walker, C.V.O., LL.D.; E. C. Whitney; H. H. Williams; Hon. Lionel H. Clarke; Robert Hobson.

At a subsequent meeting of the Directors the following officers were elected:—President, The Hon. Featherston Osler, K.C., D.C.L.; Vice-Presidents, Hamilton Cassels, K.C., LL.D.; and Brig.-General Sir John M. Gibson, K.C.M.G., LL.D.



CHATEAU FRONTENAC, QUEBEC.

## Canadian Pacific Railway Hotel System

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

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

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

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

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

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

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

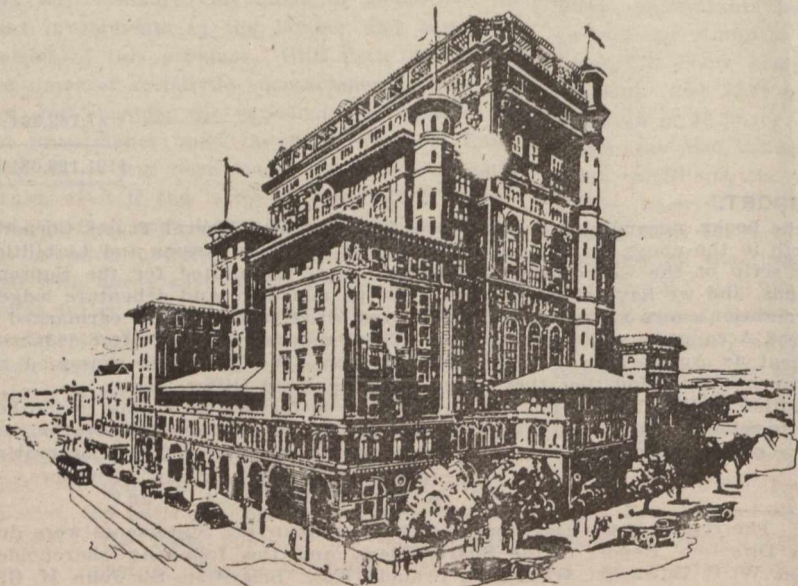
The above hotels, and others similarly situated at strategic points on the main transcontinental line of the Canadian Pacific Railway at McAdam, N.B., Sicamous, B.C., and Penticton, B.C., are open all the year round. Six other hotels, including four in the wonderful Canadian Pacific Rockies, are open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

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

**C. E. E. USSHER,**  
Passenger Traffic Manager

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

**CANADIAN PACIFIC RAILWAY, MONTREAL**



HOTEL VANCOUVER, VANCOUVER.

## The Hartt & Adair Coal Co.

DEALERS IN THE

DELAWARE & HUDSON COMPANY'S  
LACKAWANNA COAL

TELEPHONE MAIN 5645

146 Notre Dame Street West - MONTREAL

## BRITISH COLONIAL FIRE INSURANCE COMPANY

Authorized Capital . . . . . \$2,000,000.00  
Subscribed Capital . . . . . 1,000,000.00  
Paid-up Capital . . . . . 247,015.79

General Fire Insurance Business Transacted.

THEODORE MEUNIER,  
Manager.

B. A. CHARLEBOIS,  
Assistant Manager.

## H. M. CONNOLLY & CO.

MEMBERS

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Leading Hotel

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HEADQUARTERS FOR CONVENTIONS, BANQUETS,  
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European Plan Exclusively

Centrally situated in the heart of the shopping and theatrical district. Service unsurpassed

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HIGHEST QUALITY TANK GLASS PRODUCTIONS  
Flint, Light Green, Dark Green, Blue, Opal, Amber

OWEN'S MACHINE MADE WARE---for all Closures

## Dominion Glass Company, Limited

Head Office: MONTREAL

Export Office: MONTREAL

MONTREAL TORONTO

Factories:

HAMILTON

WALLACEBURG

REDCLIFF

## About Things In General

### Shipbuilding Scheme of Cunard Line.

Details of the shipbuilding programme of the Cunard Line and associated interests are being received from the other side of the Atlantic. While it has been reported officially that contracts for more than 500,000 tons of ships are being constructed, no information has been forthcoming of the vessels until recently. A cable was recently received advising of the launching of the *Cameronia* in the yards of William Beardmore & Company.

It was the first of five passenger vessels of the 14,700-ton type now building in British yards. At the Fairfield Shipbuilding & Engineering Company's plant two, which are to be named the *Caledonia* and *Transylvania*, are being constructed for the Anchor Line, while Alex. Stephens & Co. are building the *California* and *Tuscania*. All of these ships are of the intermediate type, having first class accommodations for 275 passengers, 359 second and 1,184 in third class. They are 550 feet long.

The Anchor Line anticipates that the *Cameronia* will be available for operation late in the spring. She is to be placed on the run between New York, Londonderry and Glasgow. As the other vessels are delivered they will take their turn with the *Cameronia*.

During the war the Anchor Line lost seven ships—the *Cameronia*, *California*, *Caledonia*, *Tuscania*, *Transylvania*, *Perguia* and *Tiberia*. The company is naming the new vessels after those that went down in the service of the country.

Under actual construction at this time the Cunard and allied lines have a total of 34 ships of 389,000 gross tons. The Cunard line has 11 ships of 174,000 gross tons building at the various shipyards in the United Kingdom. Vickers is building two of these, the *Scythia* and *Aubonia*, and it is expected that they will be delivered late during the spring, as considerable progress has been made upon them. None of the vessels under construction is of the size of the *Mauretania* and the other super-liners. The first desire of the Cunard Line is to replace the losses of the intermediate types, which carry both passengers and cargo.

Of the allied lines the Anchor-Donaldson is building at Fairfield two 10,000-ton ships which are to be devoted to the Canadian services. The Anchor-Brocklebank has fourteen vessels aggregating 105,000 tons, on the ways, while two 10,000-ton ships designed for the Indian services of the Anchor Line are under construction at Stephens.

### A Record in Brilliance.

The most intensely brilliant light in the world is that produced by the flow of electric current between two pencils of carbon. The supremacy of this light—the carbon "arc" lamp, discovered by Humphrey Davy about one hundred years ago—is threatened by a new type of lamp, in which an arc is "struck", as the phrase goes, between two minute globules of tungsten in a vacuum bulb similar to that of an ordinary electric lamp. Just before the war British research had produced a lamp of this type with 100 candle power, and the resumption of the investigation after the stress of war has enabled a means to be discovered of producing larger globules, so that lamps of much higher candle-power have been made. At an early date one with 4,000 candle-power will make its appearance. As the source of light is practically a point, the lamp is very suitable for cinematograph work and for various

microscopic and surgical purposes. Being rich in the actinic rays which act on sensitive plates it has also a wide scope in photography. Its efficiency is very high, though not quite so high as that of the latest types of arc lamps, and its simplicity, its convenience, its long life, and the absence of flickering in the light are likely to make this British invention very popular wherever a concentrated light is required.

### A British Electric "Scooter."

A very attractive development of the motor scooter has been made in Great Britain. Realizing the advantages of simplicity in the mechanism of this humble type of vehicle. A British firm has produced an electrically-driven model. A small storage battery is placed between the wheels and drives an electric motor of 1-8 horse power geared to the back wheel. Speeds up to 12 miles per hour are obtainable on level roads and one charge of the battery will cover from 25 to 40 miles. The control is by means of a small switch actuated by rotating one of the handles. A seat is provided, and there is a broad footrest on each side of the battery. Owing to its being merely a convenient town or village runabout for occasional use, as by ladies on shopping or visiting expeditions. The final cost is expected to work out at about £30, and the running costs are very low, while maintenance expenses will, owing to the balance of an engine and other complicated mechanism, work out at a very modest figure.

### Are We to Resume Trade With Enemies?

The Canadian Association of British Manufacturers, whose membership represents over 400 British firms, at its recent annual meeting held in Toronto, discussed at length the question of the advisability of trading with the late enemies of the empire, and it was finally decided to take a postal vote of all members on the subject. F. W. Field, His Majesty's Trade Commissioner for Ontario, who took part in the discussion, said that although the British Federation had adopted the policy of trading with the enemy his office "would not help any German, Austrian or Turkish goods to come to Canada."

The retiring president, John Wilson, emphasized the importance of uniting with the Federation of British Industries, which represents over 19,000 firms and \$20,000,000,000 of capital, explaining that such a relationship would give Canadians an opportunity to offer supplies of raw materials to British manufacturers and would open up Canadian markets for such goods as are not supplied to Canada by Canadian manufacturers.

### New States are Sensitive.

American exporting firms interested in the trade of the new European States are warned by the Foreign Trade Bureau of the Philadelphia Commercial Museum to be careful in addressing their letters to the newly constituted countries. Here is a communication on the subject from the Chamber of Commerce and Industry at Zagreb, Croatia, Yugoslavia:

"From America there are still coming letters, addressed to Zagreb, Hungary. Since such addresses are not only fit to expose the geopolitical knowledge of some American circles about our new State, but offend the national feeling too, this chamber begs the title to insert in the principal papers of the union an information, that in consequence of the changed circumstances of

public law all letters are to be addressed as follows: Zagreb, Croatia, Yugoslavia."

In commenting upon this letter the Bureau says:

"Failure to observe the changed boundaries not only reflects an ignorance of the new conditions, but it also wounds the sensibilities of the citizens of the new States, neither of which results is in the interest of American trade. In this connection it may be mentioned that Italy has announced that it would confiscate all correspondence addressed erroneously to Trieste, Austria, instead of to Trieste, Italy."

### New Sulphite Mill for Gaspe.

A telegram to the Pulp and Paper Magazine, advises briefly that a 200 ton sulphite mill is to be erected near New Richmond, in the Bay Chaleur district. Arthur Sande, engineer, whose headquarters are in the Lister Bldg., Hamilton, will call for tenders on the mill, towns, etc., development and water supply. Plans will be ready February 12th, and the contract is to be let on a basis of cost plus percentage.

### Church Fire Insurance.

The methodist church has started a fire insurance department and has secured an Ontario government agency license. This is the first step towards the formation of a Methodist church fire insurance company, church officials state. The ultimate aim is a federated fire insurance company of all the protestant churches in Canada which have insurable church property of an approximate value of \$100,000,000.

### Newsprint and Kraft for Australia.

Two thousand tons of newsprint from the Powell River Company, 1 carload, (20 tons) of newsprint from Eastern Canada, and 60 tons of kraft paper from the Ocean Falls plant of the Pacific Mills for Australia is among the cargo of the S. S. Canadian Importer sailing from Vancouver, B. C. the second week in February. This is the first sailing of a regular service to the Antipodes from Vancouver.

### The Pulp and Paper Industry.

(Continued from Page 26.)

Price fixing is justifiable only when directed against a real or virtual monopoly, responsible for an intolerable abuse, distinctly prejudicial to society. Manufacturers are not monopolists for taking full advantage in an open market, of prices rising because of an insufficiency of supply. Were the market a falling one owing to over-supply, no limitation of loss by the manufacturers would be expected from Ottawa. Society in general is not concerned any more than it is in the price of any commodity other than paper, since publishers have always been enabled to secure all their paper requirements on paying the prevalent price and taking the usual business precaution of making timely contracts. They have apparently become resigned to doing this in the United States, where the fixed price has been ignored by mutual consent under the stimulus of the inexorable economic law.

In Canada any true appeal to the patriotism of our publishers ever meets with the most generous response. Let me then exhort our publishers to consider the deplorable effect upon investors of a duel between an industry and its principal customers, bearing in mind that the latter wield the formidable power of the Press. I would have everybody believe as I do that the latter never will be collectively used for purposes of self interest, as opposed to national interest.

# See NEWFOUNDLAND

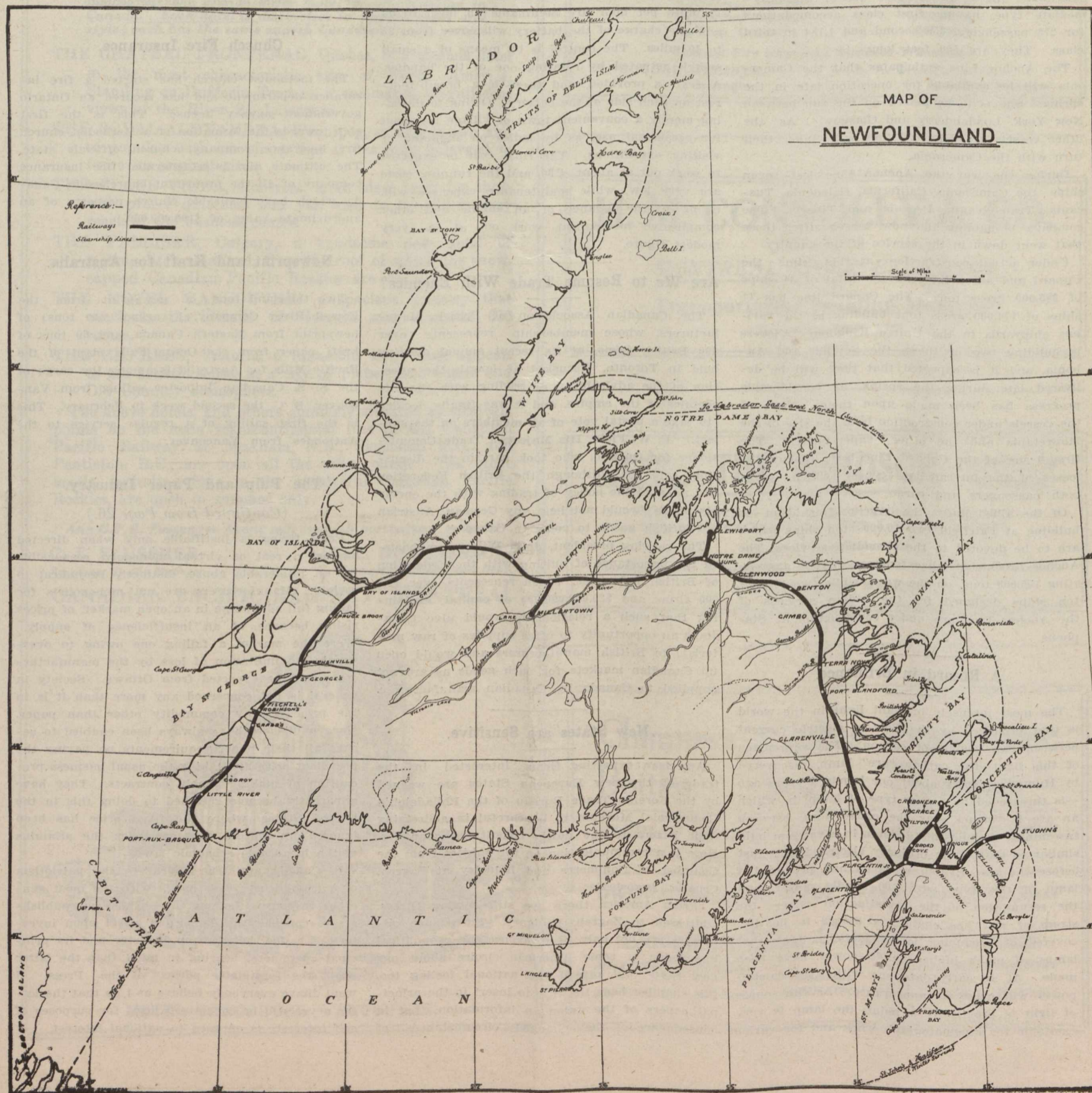
(BRITAIN'S OLDEST COLONY)

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

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

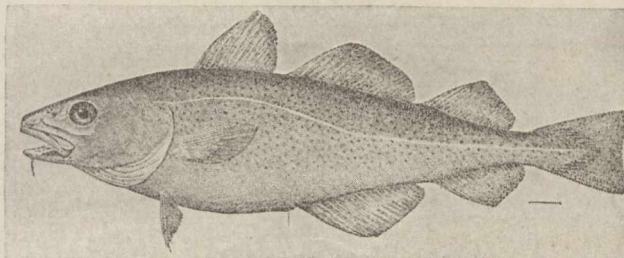


For further information, apply to  
**F. E. PITMAN**, General Passenger Ticket Agent,  
**REID NEWFOUNDLAND COMPANY,**  
ST. JOHN'S, NEWFOUNDLAND.



# Where the Codfish Come From

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



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

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

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

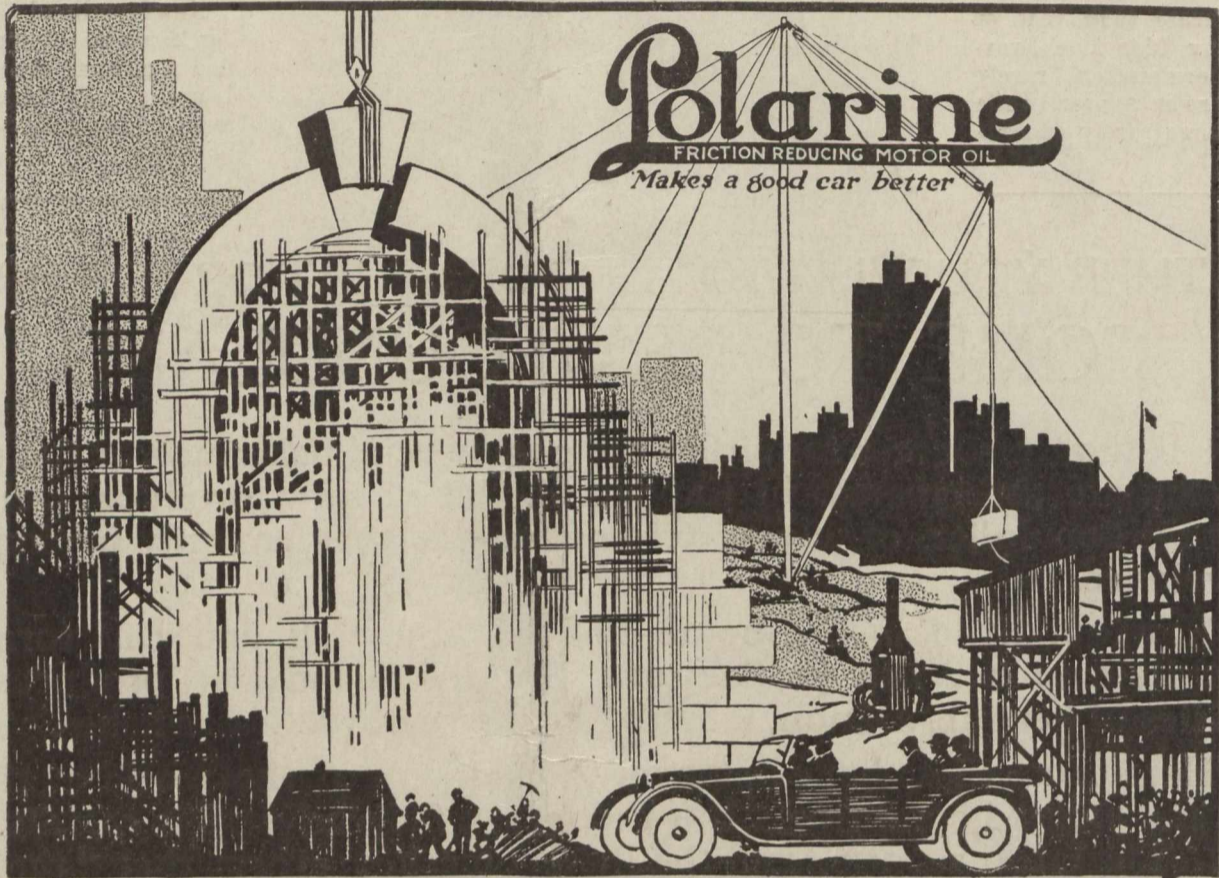
Newfoundland is the home of the cod fish and this forms the largest item in her fish production. But the island also produces large quantities of herring, salmon, lobster and many of the lesser fishes.

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



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

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



### Like the Keystone in the Arch

Correct lubrication is as important to your motor car as is the Keystone to the arch. Without correct lubrication your motor will not last or give you the full service built into it by the maker.

Imperial Polarine is the ideal winter lubricant for all motors. It lubricates freely, even at low temperatures—is fluid enough to flow between rubbing parts of the most delicate mechanism—preventing friction, minimizing wear and efficiently lubricating.

Correct lubrication by means of Imperial Polarine means a smooth running motor, instant acceleration and dependable power. By using Imperial Polarine you get more miles per gallon of gasoline, have fewer repair bills and use less oil. Every ounce gives full lubrication value.

Three grades for cylinder lubrication

**IMPERIAL POLARINE** **IMPERIAL POLARINE HEAVY** **IMPERIAL POLARINE A**  
*light medium body*      *medium heavy body*      *extra heavy body*

each the same high quality, but formulated specially for varying engine designs.

There are also special Imperial Polarine greases for transmission and differential lubrication.

Imperial Polarine is sold in six sizes—half-gallon, gallon, and four gallon sealed cans, 12½ gallon steel kegs and half-barrels and barrels. You can get the grade best suited for your car from dealers everywhere.

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