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Special Articles

The Improvement in Bank Clearings,

By H. M. P. Eckardt.

A League of Nations,

By J. W. Macmillan.

The Wealth of Nations,

By W. W. Swanson, Ph.D.

Conditions in the West,

By E. Cora Hind.

Banking and Business Affairs in the U. S.,

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Britain's Wool Supply Under Control,

By E. S. Bates.

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Railway Nationalization

THE commissioners appointed by the Government to inquire into the Dominion's railway difficulties have made their report, and we are probably no nearer a solution of the problem than we were before they began their investigation. The gentlemen chosen for the duty were apparently well qualified for it. Sir Henry Drayton has done good service as chairman of the Railway Commission of Canada, the body which has a general supervision of the business of the company roads. Mr. W. M. Aeworth, although not a railway manager, is an eminent English writer on railway subjects and has on several occasions been recognized by the British Government as an authority on such questions. Mr. A. H. Smith is the manager of one of the most important railways in the United States. Perhaps if the three commissioners had been able to agree their report would have had great weight with the public. Unfortunately they have disagreed on the most important points of the question.

Mr. Smith, adhering to the principle of company railways, advises that the Government grant aid to the Grand Trunk Pacific and the Canadian Northern for a further period, believing that before long these lines will become self-sustaining. Messrs Drayton and Aeworth recommend, subject to a condition to be mentioned presently, that the Dominion Government acquire the Grand Trunk, Grand Trunk Pacific and Canadian Northern roads and unite them with the Transcontinental, the Intercolonial and Prince Edward Island Railways, making one large national system, including all the important lines except the Canadian Pacific, the latter to remain an independent company line. So far, this contemplates a very large measure of the "Nationalization" of Canada's railways which for several years has been advocated by many people and by some influential journals. But the two commissioners attach to this recommendation a condition which they regard as vital, and which may in practice not be found easy of achievement. They advise that the management of the Nationalized railways be not left in the hands of the Government, but that, with a view to the elimination of all political influence or interference, the roads be placed in the hands of an independent board of trustees composed of five members, to be appointed at the beginning by Parliament, and to become self-perpetuating, that is, that when vacancies occur they shall be filled by the survivors on the board. Whether a board so appointed could manage the railways to the satisfaction of the public, as the two commissioners expect, is one of the problems that require most serious consideration.

The demand for Nationalization of railways is a demand that they shall be brought under the people's control. "Since the people must

in the end pay for the railways, why should not the people own and control them, instead of leaving them in the hands of selfish corporations." So runs the argument for Nationalization. Messrs. Drayton and Aeworth, apparently, shrink from giving the people real control, and so propose to set up a somewhat irresponsible board. But if such a board fail to give satisfaction to the public, if the demands the public are so prone to make respecting traffic rates, train accommodation, etc., are not met by the board, how long will such a system be allowed to stand? The people, as the owners of the people's railway, will not long allow the control to remain in the hands of men who, however eminent they may be in the minds of a select few, proclaim their intention to manage the property as they think best.

It must be remembered that the politicians, whose evil influence is dreaded, are the representatives of the people. Is it not inevitable that the Nationalization of railways means their management by the people, through their agents, the politicians? Can any system which puts such Government-owned works in the hands of an irresponsible body be successful in a democratic country?

In view of the many troubles that have arisen from the Dominion's dealings with some of the railway companies, it is not surprising that many people look with favorable eyes on Nationalization. In considering the subject it is not well to ignore the difficulties that may arise from such a system in a democratic country. Autoeracy is better able to handle such a system, for in that case there is nobody to interfere. In a democracy everybody has a right to interfere and too many are ready to claim and exercise the right.

The success that has attended the work of the Canadian Railway Commission has led many people to hold that a commission similarly constituted could manage a great national railway system. This argument, however, overlooks the important fact that the Railway Commission is almost wholly a body of a judicial character. It is not called upon to do executive work. Its business is to hear the matters brought before it and to give judgment, just as a court does. This is a function quite different from the work of constructing a railway or handling the multifarious matters that arise from day to day in the operation of a railway. The public are disposed to accept the decisions of the Railway Commission as they do the judgments of the courts. They certainly would not be so ready to accept without question the action of any board undertaking the operating management of a Government railway. A system which will bring the railways under the people's control and at the same time keep those who represent the people—that is, the politicians—entirely away from it, is not easily devised. If Nationalization is found to be desirable, we shall have to take

it "for richer or poorer, for better or worse," as may happen, and we need not be surprised if, after all, the politicians are found to have a considerable voice in the management.

Let us make the politicians better, if we can; there is much room for improvement. Let us make the people who elect them better if we can; Heaven knows there is abundant room for improvement in that quarter. But it is useless to hope that in this democratic country public works of any kind owned by the Government can be satisfactorily managed by men who are not responsible to the people.

The Irish Convention

THE Irish question is taking on a somewhat new form. The prevalence of discontent in any part of the Empire at this time is a menace to all. The continued trouble in Ireland has a paralyzing effect upon a part of the war policy of the Imperial Government. It prevents successful recruiting among men who, when their hearts are in the service, make the finest class of soldiers in the world. It keeps in Ireland, for the preservation of order, a considerable body of soldiers who are needed at the battle front in France. A settlement of the long standing Irish question is, therefore, of more than usual importance at this time. Every movement designed to accomplish such a result must be hailed with satisfaction, even if there are grave doubts of its success. The action of the British Government in proposing the holding of a convention representing all sections of the Irish people is one that must meet with almost general approval.

Ireland has had grievances in the past. For some years, however, the majority of the British people have been making earnest efforts to remove the grievances and deal justly and generously with Ireland. If the old Irish Home Rule question has not been settled, it has not been because of any hostility on the part of the English people, but because the Irish people themselves have not been able to reach anything approaching an agreement as to what they desire. That fact does not always impress itself as it should upon the citizens of other countries who, having sympathy with Ireland, have too readily assumed that England is treating the Emerald Isle unjustly. The calling of the convention, whether it lead to a settlement or not, will do much to remove erroneous impressions as to the situation, for it is a declaration, so clear as to be evident to all, that the people of the other parts of the United Kingdom are ready to give Ireland almost any scheme of Home Rule, within the Empire, that the Irish people can agree upon. "We Englishmen, Scotchmen and Welshmen," say the Government in effect, "have tried to devise measures to meet the Irish situation and we have failed. We are ready to stand aside and have a convention of Irishmen, without any interference of others, apply themselves to the finding of a solution of the problem." Of course, absolute unanimity is not to be looked for. Under the best conditions differences of opinion might be expected. These differences will naturally be emphasized in a case where issues concerning race and creed have been raised. No dissent by any small and irresponsible section of opinion should be allowed to stand in the way of a settlement. But it is well to recognize that any Home Rule measure which is bitterly assailed by a large and influential portion of the Irish people cannot be expected to work out well. Consequently every movement that of-

fers even a hope of an agreement among the large sections of Irish public opinion should be welcomed.

There is such a hope in the calling of the Irish convention. There is at present a better atmosphere for the consideration of the question than at any previous time. Many public men of the United Kingdom whose differences on the subject in the past produced strong antagonisms have learned to know each other better and to trust each other more. Mr. John Redmond and his Nationalist party, long regarded by many Englishmen as dangerous if not as disloyal men, have in the Empire's crisis proved their loyalty and their devotion in a manner which has won admiration from all except an extreme section of Irishmen, with whose aims and methods the Nationalist leaders have no sympathy. Sir Edward Carson, the chief representative of the Ulster Unionists, has as a member of the Cabinet accepted the responsibility of proposing the convention and will use his influence to induce his people to attend. Lord Lansdowne, one of the strongest and ablest opponents of Home Rule, has given his approval to the meeting, although naturally he is less hopeful than some others of its success. The only section of Irishmen who are avowedly hostile to the movement are those connected with the Sinn Fein society, who are seeking, not constitutional Home Rule for Ireland within the Empire, but Ireland as a separate nation. There is little hope of the leaders of this mad project taking part in any reasonable movement. Their hostility is to be counted on. But there is much reason for hoping that many of the Sinn Fein men will be willing to separate themselves from the extremists and co-operate with sane Irishmen when they see, as they should see now, the evidence of the sincere desire of the English people to settle the Irish question in a just and generous way. If Mr. John Redmond, representing the majority of the Irish people, and Sir Edward Carson, representing the powerful Ulster party, can find a common ground of action, the Sinn Fein party is not likely to become large enough to be dangerous.

Altogether, the Irish situation is interesting and more hopeful than it has been for a long time. It is not too much to hope for a solution of the Irish problem through the work of the convention, and even if that happy result is not reached at the moment, the convention should serve a good purpose in making the whole Irish situation clearer to the world at large.

Second Chambers

THE Australian Colonies are in most things inclined to favor what may be called progressive, if not radical legislation. In that respect they are much more advanced than Canada. On one important question, however, one of the States of the Commonwealth has just exhibited a rather remarkable conservatism. The State of Queensland has two legislative chambers, constituted in the same manner as our Canadian Parliament; the lower house elected by the people, the upper house—the Legislative Council—the members of which are appointed for life by the Government of the day. There has been an agitation against the upper house and a referendum has just taken place, with the result that the people have decided not to abolish the Legislative Council.

In Canada we have an upper house of the Dominion Parliament—the Senate—the mem-

bers of which are chosen for life by the Government of the day. There has long been much objection to the constitution of the Senate and only a few days ago the subject was discussed in the House of Commons. As usual, there were wide differences of opinion. While the abolition of the Senate has its advocates, the general tendency of Canadian opinion seems to be that a second chamber is necessary. That the present system of constituting the Senate is objectionable is very widely acknowledged, but nobody has so far produced a scheme of reform which could be generally accepted.

In our Provincial Legislatures, which correspond to the Legislature of the State of Queensland, the bi-cameral system was adopted at the beginning of the union by all the provinces except Ontario. In the prairie provinces, established later, the single chamber system was adopted. Gradually our second chambers are being abolished. British Columbia, Prince Edward Island and New Brunswick have given up their upper houses. In Nova Scotia there was for a time a vigorous movement for abolition of the Legislative Council, but it did not succeed. To-day Nova Scotia and Quebec are the only provinces which have two legislative chambers. The advocates of second chambers will find much comfort in the decision of the people of Queensland to retain the Legislative Council.

Queer Fellows

OUR contemporary the *Carleton*, in discussing the question of conscription, suggests that for the carrying out of the scheme, "non-partisan local boards or commissions" should be appointed, "men who know not Conservative or Liberal and have no leaning to either party." This aim is excellent. But where are such strange beings to be found? There is, as all know, the "independent voter," who is not closely attached to any party, but he would not, as a rule confess that he "knew neither Conservative or Liberal," and "had no leanings to either party." If there are men whose minds are so blank on our political questions, would it not be better to look them up instead of assigning them to positions calling for intelligence?

Conscription Troubles

THE conscription question is one on which there may be honest differences of opinion among loyal citizens, and therefore no one should attempt to prevent the fair discussion of the subject, or the making of protests by those who feel obliged to dissent from the steps that are being taken at Ottawa. But if freedom of speech is a thing to be valued and cherished, disorder and violence are things to be condemned and punished. The foolish men who, to manifest their disapproval of conscription, smashed the windows of two newspaper offices in this city served no good purpose. On the contrary, they brought discredit upon themselves and weakened the legitimate influence of opponents of conscription.

Every good citizen will feel that it is his duty to frown down all attempts to create disorder, and those in authority will have to administer prompt and severe punishment to all who resort to violence.

Conditions in the West

By E. CORA HIND.

Winnipeg, May 24, 1917.

To-night a big deputation from the Winnipeg Grain Exchange leaves for Ottawa via Chicago, and will be in consultation with Sir Geo. Foster, Monday, on the subject of the handling of the incoming crop. Trade is very much at a standstill. The interest in May is well cleaned up and considerable progress made with July, but conditions are still far from satisfactory and the speed with which the Americans are getting their food handling problem under way is making the men in the trade here all the more restless and dissatisfied with the shilly-shallying at Ottawa. After three years of war Canada has no food conservation programme, nothing has been done to prevent waste, little but talk has been done to stimulate production. Experts in the grain trade and representatives of organized producers have not been consulted. The United States has not been in the war more than a month and already they have had gatherings at Washington of representatives from all the big exchanges and all the farm organizations, a permanent committee of these men is retained at Washington in an advisory capacity and delegates have gone back to their various organizations fully apprised of what the food controlling programme is to be and the moment the bill is through congress Administrator Hoover will be able to act and will have at hand all the available export knowledge to serve the public need. Canada should have led in this matter, she is apparently to tag behind. Yet Canada's wheat crop is infinitely more important to Britain and her Allies than that of the United States. Given an average season and Canada can spare 175,000,000 bushels; while if government figures are anything like correct the United States will not have more than 90,000,000 above her own requirements for export. This, of course, applies only to wheat. She will have enormous quantities of corn and oats for export.

The recent events in the Mediterranean lay increasing emphasis on the importance of Canada to the Empire in the matter of food supply. It is no secret that the movement of Australian wheat to the United States and its transshipment across the continent to Atlantic seaboard is occasioned to some extent at least by this menace in the other and more natural route. It also lessens the possibility of Indian shipments.

For a hundred reasons Canada should have well defined plans for conserving food and being in a position not only to feed herself, but to ship the largest possible amount to Britain and her Allies. As yet nothing has been done.

A body to control the conservation of wheat should be in charge at Winnipeg. This is the strategic point from which to operate. Practically all the wheat Canada has to spare is raised in the three prairie provinces and 90 per cent at least goes out through Winnipeg. All the machinery is here for doing the work and a board with a government representative, a man

from the railway commission and another from the organized farmers of the west could, together with the present special committee of the Grain Exchange, handle this whole business, and handle it well, provided they were given the requisite powers. The way in which this committee of the Exchange dealt with the big problems arising out of the closing of the May and July futures is a guarantee of their ability. It is worthy of note that when it came to setting the pace in dealing with abnormal market conditions Winnipeg Grain Exchange set the pace for the continent of America, but when it comes to Government action apparently Canada has to wait on Washington and wait a long way behind at that. We shall see what we shall see after our delegation interviews Sir George Foster.

CROP CONDITIONS.

Crop conditions continue very favorable although at a few points rain would be desirable. The extreme heat spoken of in a previous letter, gave the crop an enormous start, it was followed by very cool weather with frost at a few points which has helped stooing and tended to make the crop more vigorous and now the weather is once more warm and balmy. The trees are in full leaf and all Winnipeg is making special backyard gardens. An immense amount of garden truck will be produced this season.

FLOUR SITUATION.

Winnipeg may be said to have had an epidemic of millers during the past week. The heads of the big milling concerns have suddenly developed an amazing interest in wheat conditions. The flour panic led to enormous sales and after refusing to concur in the agreement to take delivery of July wheat in June at a premium the millers suddenly found that they did need wheat in the latter end of May and the beginning of June, but they have not found it easy to buy. The agent of the Allied Governments not only consented to pay this premium, but has been quite eager to do it and it looks as if he was going to control the July situation.

But this is only one of the troubles of the millers. They evidently came west with the full expectation of commanding the Winnipeg Grain Exchange to open the October option. How were they to contract for flour ahead if they did not know what they were going to pay for October wheat? If it was not opened they would put up the price of flour because they had no hedge. They had meetings with the special committee of the Grain Exchange. These meetings are private, but a little leaks, out from time to time, and if all tales be true the gentleman who arrived to command remained to plead and went away considerably chastened in spirit.

If the Government should make a law that only normal before the war profits should accrue to the millers and all above that go into the public treasury it would certainly be popular in the west.

financial giant of the world—possessing a latent potency that can hardly be grasped—stands pre-eminent, and has been able to maintain her exchanges at practically par. Of course, this is done at an enormous sacrifice in other respects, although it has the strong arm of the Government to sustain it. But that is a matter that need not concern us, as we must recognize the facts as they are.

France, with a supply of gold much in excess of that of Great Britain, lacked the courage to do likewise. Overcome by a fear that she would be weakened in the event of her monetary standard being depleted, she has been obliged to submit to what might almost seem a discrediting condition of her exchange, and it was only after a full study of the situation and only after full co-operation with the giants of finance in London that they have been able to maintain the French exchanges where they are to-day and where they have been since a complete understanding with London was reached.

Italy, always a weak sister in the financial centres of the world, whose circulating medium—the bank note—was on a depreciated currency basis even in normal times (although this depreciation was of a minor degree, still at the same time it had to be recognized as irredeemable currency) witnessed its exchanges going from bad to worse and when these had reached the unusual price of six lire to the dollar the general supposition was that they could not go any lower. In the twinkling of an eye however, 6.50 was reached and then to 7, was but a step. The next drop was to 7.50, and to-day they are 7.75—a depreciation of 52 per cent. In other words, gold in Italy to-day stands at a premium of 52 per cent. Undoubtedly there will be a reaction, but much cannot be hoped for in this respect.

The recent abnormal decline in the currency of this important country is attributed to the failure of the latest internal loan that was opened for subscription and which, as far as its results are concerned, stood out in such strong contrast to an internal loan that was opened to the public in Great Britain. What the remedy for this condition of affairs will be, when we are again able to devote our minds to thoughts of peace, it is pretty difficult to say. Opinions as to a reaction vary to an extent that is marvellous. It is evident that we are all groping in the dark as to the future.

The use of bank notes has assumed such enormous proportions that very little hope can be entertained as to their redeemability within a reasonable time limit. This is due to the fact that there is not sufficient gold in existence to convey the idea that these issues are subject to redemption. This perhaps is not a matter of such extreme vital importance that disaster can be predicted upon the circumstance, as the full credit and faith of the Government stands behind these issues. Regardless of conditions, the State will always continue to exist and the solidarity of the people behind these issues represented by the State will ultimately guarantee that the people will not be the losers. It is only in connection with foreign trade that difficulties will be encountered.

International business calls for settlement only in three ways—the exchange of products; the granting of credits; and remittances in gold. The legitimate way, of course, is the exchange of commodities. But it is to be feared that it will be a great many years before this exchange will run again along natural lines, and in the meantime it will be absolutely essential that long-time credits be granted. Such credits, of course, cannot be of a commercial character, but must assume the form of obligations payable within a fixed period, thus serving as an investment for the country granting the credits. Unless this method should be adopted the prosperity of the producing country would be jeopardized to an extent that might easily spell disaster.

We will have to take a leaf out of the book of our friends on the other side who have gained pre-eminence in the world's commerce by doing that very thing. The trade of South America, Central America, of the Orient, has all been done by means of credit facilities freely and generously granted, and if we desire to maintain our supremacy in the field of production in the future it is essential that we do the same thing. Of course, our own country is still subject to considerable development, and funds will be needed here for that purpose, but it must be borne in mind that along with the development of our own fields their productivity can only be enhanced by giving them the possibility of producing over and over again what other nations need.

(Continued on page 16).

Finances of Nations Reflected in International Exchange

By JOHN E. GARDIN,

Vice-President, The National City Bank of New York.*

The position of dollar exchange at the present time is a peculiar one, but not as anomalous as some seem to think. The trading nations of the world to-day are the belligerents, that is, those who still have the freedom of the seas. The Central Powers are absolutely excluded and their financial conditions cannot be determined; consequently their position in the world of finance is completely obliterated. Great Britain, France and Italy, in the order named, are now controlling the movement of money in the world, while the United States assumes the position of a huge receptacle into which the wealth of these three nations is poured, giving our country a stimulus in the way of production that has never been equalled. Unless this flood tide can be offset in some way, possibly by negotiation of foreign securities, the result is likely to be a source of embarrassment to us.

In 1871, when France was compelled to pay an indemnity to Germany of one thousand millions of dollars, the world stood aghast at the magnitude of the proposed undertaking. But the world was equally surprised when a nation that had been subjected to such vicissitudes was able to liquidate this ap-

parently huge indebtedness within one-half of the time allotted. It was done with éclat, and firmly re-established France upon a sound financial basis. This circumstance I now mention merely to illustrate how great the recuperative power of a nation is, and there is no doubt in my mind that the European nations that are at present in the throes of a fight for their very existence will, when the war is over, be able to do wonders. In the seventies, and for many years since, in speaking of financial matters, the word "million" was pronounced with bated breath. To-day we think only in terms of billions with a nonchalance that surpasses the blase point. We are becoming accustomed to great things and in the development of our human activity this habit of thinking large will have an effect upon our national character that will ultimately redound to the credit of the country.

In consequence of the prodigious outflow of American products the balance of trade is enormously in our favor, and the result is that every important country is a debtor to us; hence, the exchanges are at a discount to a varying degree. London, the fi-

Banking and Business Affairs in the U. S.

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

(Special Correspondence of The Journal of Commerce).

NEW YORK, May 26.

While the British Mission recently visiting this country was concerned chiefly with military and diplomatic problems, it is the general opinion here that in consequence of the closer drawing together of the two countries on these matters the trade of Great Britain and the United States, and possibly of the world, will be profoundly affected. Closer financial relations between the United Kingdom and the United States have been established already, and are likely to be maintained long after the war ends if not permanently.

Should the post-bellum policy of the Paris Economic Conference be carried out, this country will not now be discriminated against as might have been the case had it remained in the ranks of neutral nations.

Thus, however, is the purely negative side of the matter. The union of the two great countries in military and financial affairs, to the extent which has taken place already, probably presages close cooperation in economic policies capable of being worked out to mutual advantage. With Great Britain, the United States, France, Russia, Italy, and Japan united on war policies, the hope naturally arises that these nations may seek to find the basis of a common understanding with respect to future international trade developments that will powerfully tend to shaping the commerce of the future and may even make for more peace. If these nations shall find that their interests have been conserved in time of war by joining together for the common defense, they may conclude that what served in time of war is applicable to an era of peace.

GOLD GOING TO JAPAN.

Some concern has been occasioned recently by exports of gold to Japan which have aggregated more than \$35,000,000 since the beginning of the year. Although the United States gained an enormous amount of gold on international movement as a result of the war trade, and even to an extent that was considered dangerous by bankers and economists here, the financial situation of late has undergone such changes as to cause a revision of these earlier views.

The country has, for the time being, found itself called on to act largely as the world's banker, besides having to provide an enormous amount of funds to conduct war on its own account. The fear of having an excess of gold has not only disappeared, but there is a feeling that if we are efficiently to exercise these very heavy financial duties, the present stock of gold must be preserved against serious depletion. This is not only for our own interest but it is of importance to our Allies that the American gold supply be kept as nearly intact as possible so that loans may be made at a moderate rate.

It is at least an open question whether the present banking mechanism of the country has adequate powers for coping with an adverse gold movement; but no doubt exists, under existing circumstances, of the power of the Government to put into effect measures for protecting the country's gold stock should such action appear desirable.

CONSTRUCTION OF STEEL SHIPS.

It would appear that the enthusiasm for an immense fleet of merchant ships, constructed with magical celerity for carrying food over seas, and thus circumventing the submarines, has somewhat cooled. The ships will be built, and as rapidly, too, as they can be turned out by the vast industrial plants of the country, but they will not be of wood but of steel and useful not only during the war but will constitute a part of the world's great mercantile fleet after the war is over. Steel interests of large constructive capacity have pledged their support to the programme and it may be expected that substantial relief to the shortage in marine tonnage will be afforded with reasonable speed.

To construct large numbers of wooden ships would have required the creation of plants and evolution of large forces of workmen trained in construction of this sort. On the other hand, the steel plants already exist with the labor required to build the ships with the least possible delay.

The turning of the steel plants so largely over to the shipbuilding industry will doubtless tend to reduce activities in some other directions. General construction has already slackened to some extent, due in part to high cost of materials and labor. Obviously, the industries of the country will have to devote themselves increasingly to those things needed to carry on the war effectually.

The wooden ship programme had in it much of the spectacular calculated to captivate the popular fancy, but gradually the people here are learning what the other belligerents know, that the processes of war are slow as well as serious.

Business in the great steel plants is very much congested, and the entrances of these concerns into the work of ship building on a large scale will still further tax their facilities.

THE LIBERTY LOAN CAMPAIGN.

Never before has any security been advertised in this country to the same extent as the new Liberty Loan. It will prove a most instructive example of the power of publicity as applied to the sale of investments.

Perhaps this is a subject to which bankers have not yet given the attention it deserves. If they had done so, no such extensive advertising as the Liberty Loan has received would have been necessary; the mere announcement of the loan and its terms would have been enough. Of course, much of the advertising which this loan has received was donated and many bankers and advertising experts have freely given their services in making the attractiveness of the issue known to the people. Then patriotism has been invoked as an inducement to buyers. One might think, indeed, that the ringing appeals made to buy a Liberty Bond as a patriotic duty indicated a fear that the bonds would not be fully subscribed. No such fear exists. But not only must the present \$2,000,000,000 issue be taken, but other and perhaps much larger sales must be made in the near future, and it is well that the educational work necessary for their sale to the people be done in advance.

Bankers might well study with some care the results of this whirlwind campaign of publicity. If so large an amount of securities can be sold in a short time to people many of whom were unaccustomed to buying investments, what might not be done by a steady policy of investment advertising intelligently carried out.

This is a most practical question, especially for us here in the United States, for we shall have to do things financially in the near future of which we have done very little heretofore. We must buy foreign Government bonds and foreign securities of various kinds, and shall also have to finance our own enterprises without European assistance. To do this the great body of the people will have to be trained in the principles of wise investing, for the banks can not absorb securities without limit.

The Liberty Loan campaign promises important developments in this direction that will be of benefit in teaching Americans the art of wise investing.

FOOD COMBINATIONS ATTACKED.

Suits have been instituted by the Government against certain persons and associations who are alleged to be in conspiracies to monopolize the trade in food products in some lines. It is asserted that by paying low prices to the producers when the crops were ready for market, and by holding the products in storage for several months, until sold to consumers, a very high profit has been made.

Much hysterical talk has been indulged in as to the extraordinary degree of punishment which should be meted out to the speculators who manipulate the price of food, and there has been a flood of legislation on the subject with no end of commissions to make investigation and report. As yet very little has actually been accomplished, however. It appears likely that the extraordinary powers over food production and sale which the government may exercise during the war will result in measures putting some control on the activities of the food speculators.

That this has not been done before is incomprehensible. If the farmers as a body profited by the price boosting process, this might explain the delay in putting an end to it, for the farmer is all-powerful politically. But the farmer appears to benefit but little if at all. Certainly the consumer—especially the industrial wage-workers who produces no food himself—is mulcted by it. A few speculators get most of the profit. That they have been able to keep up their game so long probably affords another illustration of the difficulties experienced in a democracy of curbing admitted evils. There are so many explanations given of the high prices of food, so many remedies offered and upon the whole the "high cost of living" affords such a pleasing subject of discussion and of experimental remedial legislation, that the prompt action which would put an end to it summarily, so

far as speculation is responsible, has remained neglected. But the action of the Government in beginning the prosecution of those who are alleged to have "cornered" certain kinds of food indicates the inauguration of a policy that bodes no good to the food gamblers.

There is a growing realization of the fact that unless prices are kept down or wages very materially advanced, serious and widespread strikes may be threatened. Undoubtedly, from patriotic motives, the great body of American workmen will under present circumstances not resort to strikes if they can possibly be avoided. But hunger is a compelling argument, and one to be avoided.

The activity of the Government in seeking to check food speculation comes opportunely and will be welcomed.

FINANCIAL STRENGTH OF THE UNITED STATES.

From a recent statement of the Comptroller of the Currency, urging the purchase of Liberty Bonds as a patriotic duty, the following facts are taken regarding the financial strength of the United States.

Reports from all national banks as of May 1, 1917, just compiled, show that the total resources of these banks at this time exceed sixteen billion dollars (\$16,000,000,000), and are one hundred and sixty million dollars more than the greatest resources ever heretofore held. In the country banks as well as in the banks in the reserve cities, resources have broken all previous records. The increase over March 5, in resources in reserve and central reserve cities, exceeds ninety million dollars, while country banks are seventy million dollars ahead of all previous figures.

Since July, 1914, the resources of our national and state banking organizations have increased by the enormous sum of eight billion dollars (\$8,000,000,000). This increase alone exceeds the total deposit of all the banks, large and small, in Great Britain and Ireland, including several banks whose total resources are greater than those of any individual bank in this country, and also including all deposits in the Bank of England.

Financially this nation is fully prepared to meet successfully any and every demand which duty, honor and the fullest protection to the lives and property of its citizens can impose. It is ready and able to vindicate before the world the principles of democracy.

"No nation ever before possessed the immense financial strength and power which are ours to-day. We have become the greatest reservoir of world credit.

"Figures indicate that the production of wealth in the United States for the past two years have been at the rate of more than forty billion dollars per annum. Since the outbreak of the war in Europe, two years and ten months ago, students of the situation tell us that this country has created about one hundred billion dollars of new wealth and that the surplus earnings of the American people, over and beyond their living expenses for this period, have exceeded twenty billion dollars (\$20,000,000,000).

"Much of this accumulated wealth, produced by over forty million intelligent workers, has been reinvested in mills and factories, in the enlargement and expansion of business enterprises of all kinds, and in loans to foreign countries, while our deposits in banks have increased billions.

"It is believed that the investible earnings, or profits, of the citizens of the United States are now increasing at the rate of two billion dollars every three months, so that if all our people should invest in the Liberty Bonds their entire net increment, or excess of income over actual living expenses, for a three months' period and avoid other investments, this alone would practically absorb the entire issue of bonds now being offered.

"Our Government has recently placed about seven hundred million dollars (\$700,000,000) of Treasury notes at from 2 to 3½ per cent interest, and these have been taken and paid for without creating a ripple in the money market.

"This Government placed during the Civil War three billion dollars of bonds. That amounted to nearly twice as much as the total resources of all the banks in the country at that time, and was more than one-tenth of the estimated wealth of the country then. Our national wealth is to-day about ten times what it was in 1865, and bank resources are more than twenty times as great."

THE OUTLOOK.

Prospects all around are brighter than for a week or two past. The crop outlook is decidedly better and it may turn out that the production of spring wheat will be so good as materially to reduce the gloomy earlier forecasts of the output of wheat dur-

(Concluded on page 23).

The Improvement in Bank Clearings

There has Been During the Three-year Period a Great Increase in the Total Amount of Resources Employed by the Canadian Banks

By H. M. P. ECKARDT.

Although the reports thus far published in 1917 show that the banks are slowly emerging from the depression, the improvement in profits has not as yet found any pronounced reflection in the market for bank stocks. Up to the date of writing this article five banks have issued statements of earnings, for fiscal years ending in 1917. Four of them—Merchants', Imperial, Standard and Sterling—report for a full year period; and one—the Bank of Montreal—for a half-year.

In order to make a better comparison, the profits of the Bank of Montreal for the full year ending April 30th have been calculated for the three years 1915, 1916, and 1917, and are thus shown in the table that follows:

Bank—Net Profits.	1917.	1916.	1915.
Montreal	\$2,315,841	\$2,145,675	\$2,313,896
Merchants'	1,120,308	950,714	995,431
Imperial	1,122,816	1,003,960	1,031,359
Standard	580,230	563,401	621,463
Sterling	161,270	145,290	115,111
	\$5,300,465	\$4,809,040	\$5,077,260

As compared with last year's statements, the five banks here referred to show increase of profits amounting to \$491,425, or roundly 10 per cent; the gain over 1915, is \$223,205 or 4½ per cent.

It will be interesting to take these five banks in combination, noting the amounts remaining applicable for dividends and for addition to reserves, after making the deductions, in the three years. The following statement shows the appropriations and deductions, and the surpluses respectively for 1915, 1916, and 1917:

COMPOSITE STATEMENT—FIVE BANKS.

	1917.	1916.	1915.
Net profits	\$5,300,465	\$4,809,040	\$5,077,260
Deductions:			
Circulation tax	340,071	325,320	83,714
†Provincial taxes	8,604	8,644	10,464
†Auditors' Fees	5,000	5,000	5,000
Depreciation, assets	160,000	300,000	790,000
Premises, account	100,000	343,739
Pensions fund	77,500	22,500	22,500
Special contributions	96,400	65,400	146,500
	\$ 787,575	\$ 726,864	\$1,401,977
Remainder	4,512,890	4,082,176	3,675,283
Dividends paid	3,931,481	3,922,279	3,912,187
Surplus	581,409	159,897	*236,904

(*)—Deficit.

(†)—Only one of these banks—the Sterling—shows the amount of Provincial taxes; and only one—the Imperial—shows the auditors' fees.

This composite statement shows more clearly the progress that has been made. The banks above mentioned paid dividends at exactly the same rate throughout the three years—the amounts paid in dividends represent approximately 11.4 per cent of the average capital in each year—but after paying the dividends and providing for the appropriations and deductions, they had a surplus of \$581,409 in 1917 (about 1¼ per cent of capital stock) as against a surplus of \$159,897 in 1916 (about ½ per cent on the stock), and a deficit of \$236,904 in 1915.

There has been during the three-year period a great increase in the total amount of resources employed by the Canadian banks. Taking the whole number of banks, their total assets as at March 31st, 1917 were \$2,025,918,081, as against \$1,705,836,892 on the same date in 1916, and \$1,545,723,564 in 1915. Thus the increase during the past year was roundly \$320,090,000, and during the past two years, \$480,000,000. This increase of assets has been general. The five banks reporting in 1917 have participated fully in the general expansion. In round figures they now have \$670,000,000 of assets as compared with \$630,000,000 in 1916, and \$505,000,000 in 1915, taking the totals as at the end of their fiscal years. One would expect that when a group of banks had employed a total fund \$125,000,000 greater than that employed two years ago they would show a much larger increase of profits than that reported. Net profits as declared this year are only \$223,205 greater than in 1915. Sup-

pose they had, on the average basis \$80,000,000 more to work with than in 1915 and that they were able to make an average net profit of 1½ per cent on this new money, at the same time fully maintaining the rate of profit on their working funds as previously existing, there would be, on that hypothesis, an increase of \$1,200,000 in the profits.

This makes it clear that on much of the new business taken by the banks the charges have been small. It is well known that large amounts have been placed at the disposal of the Dominion Government and the Imperial Munitions Board. The ordinary commercial loans and discounts until quite recently have been standing at totals not much larger than those shown in 1914 and 1915. Loans to Government bear proverbially low interest rates; and notwithstanding the rise in rates since war began the income from the Government loans has not been equal to that derived by the banks from their commercial discount business. Also in connection with the greatly expanded Government business, it is necessary to perform various services of one kind or another without remuneration. Dominion Government cheques are not subject to exchange or commission, and transfers also are made without charge. These services and facilities, is clean. In connection with their short loans when no charge is made for them it means that the banks are out-of-pocket as regards these particular transactions.

However there are compensations. Government business, though yielding comparatively small returns is clean. In connection with their short loans to the Dominion and British Governments the banks are not required to provide reserves for bad debts. Two years ago the appropriations from current earnings to provide for losses arising from commercial loans were very considerable, as the second table in this article shows. Nevertheless, while short loans to the Government do not require appropriations, outright purchases of longer term Government bonds

sometimes necessitate deductions from current earnings to cover depreciation of market price.

With reference to the profits of the Bank of Montreal it should be remembered that the item \$2,313,896 shown above for the year ending April 30, 1915, represented the profits prior to the appropriation of \$290,000 for Bank Premises Account and \$100,000 for the Canadian Patriotic Fund; whereas the \$2,315,841 shown for the year ending April 1917, was not followed by these deductions. Since October 31st, 1914, the Bank of Montreal has not published the amounts written off premises or amounts contributed to other purposes—the only debits to profit and loss appearing in the reports being the dividend and bonus payments and the tax on circulation. So, to put the two years on an equal footing it is necessary to deduct \$390,000 from the 1915 results. When that is done it is seen that the net outcome in 1917 was better than that of 1915 by nearly \$400,000. It is to be hoped that the Bank of Montreal has not definitely ceased to publish the premises appropriations and the amount of special contributions to funds such as the Canadian Patriotic. If the largest bank in the country omits to furnish information on these points, the value of the statistics relating thereto is impaired. The substantial amounts written off premises account from year to year by the Canadian banks have been recognized—the United Kingdom and the United States as one of the evidences of Canada's safe and conservative banking policy; and if the appropriations of the Bank of Montreal for this purpose cannot be added to those of the other banks, the country is deprived of a certain measure of the credit which it otherwise would get.

Unless Canadian business takes a sudden or unexpected slump, it is quite likely that the bank reports issued this fall will continue to show rising profits. Since September, 1916, there has been a considerable rise in the commercial loans—the increase between September and March being \$90,000,000. No doubt a considerable part of this increase is represented by unliquidated grain loans; but, after making due allowance for an unusually large seasonal clearing up of grain loans in May and June, it still appears that the generally high level of commodity prices will keep the commercial discounts at swollen figures during the remainder of the year. The reports appearing later in the year will show the effects of the swollen figures perhaps for a full term of ten or twelve months.

A League of Nations

Until the Eyes of Men Learn to Look Upon Other Nations With Some of the Same Interest and Affection With Which They Regard Their Own the World is not Safe From Terror and Destruction

By J. W. MACMILLAN.

The last words of Edith Cavell were:

"But this I would say, standing as I do in view of God and eternity, I realize that patriotism is not enough. I must have no hate or bitterness towards anyone."

This is a repetition and echo of the divine farewell of earth: "Father forgive them, for they know not what they do." It has always been recognized as the utterance of a spirit of the serenest composure, and the utmost magnanimity. But there is much more in it than a declaration of the inner sweetness and strength of the soul who, in the midst of wrong and facing death, could utter it. There is in it the secret of world peace. "Patriotism is not enough" for even the welfare of any single nation. Until the eyes of men learn to look upon other nations with some of the same interest and affection with which they regard their own the world is not safe from terror and destruction.

We seem to be on the eve of beholding the creation of a league of nations, wherein

"The common sense of most shall hold a fretful realm in awe,

And the kindly earth shall slumber, lapt in universal law."

Terrible as the travail of birth will have been, one may believe that if such a gift-child issues from the womb of the war succeeding generations will look back to the present years and call them among the most blessed in all history. All the chief spokesmen of the great powers have declared for such a league. M. Briand in France, Mr. Asquith and Lord Grey in

Britain, President Wilson in the United States and even Herr von Bethman-Hollweg in Germany have declared for it. It seems likely to come.

Nationalism is not such a venerable thing, after all. Its development has been within the past hundred years. The Congress of Vienna, which met to readjust the map of Europe after the overthrow of Napoleon, is sometimes criticized because the principle then adopted was legitimism. It seems to us monstrous nowadays that a world should be divided among a few royal families. We wonder what strange spell the statesmen of that day were under that they did not divide it on national lines. But they were under no spell. There was no chorus of criticism from the nations protesting against such a decision. These men were like all other men of their day; and the rights and claims of peoples as they are grouped by geography and tradition made little appeal to them. The rights of dispossessed princes seemed much more to the point. Loyalty to the prince was a stronger motive in Europe than love of country. It was not till 1848 that it became a definite political ideal, the course of its growth from the time of the Renaissance having been, as Lord Morley says, thus: "from instinct became idea; from idea, abstract principle; then fervid prepossession; ending where it is to-day, in dogma, whether accepted or evaded."

The Hague conferences and tribunal have served the useful purpose of undermining the national bigotry which has ruled all the world. It is not uncommon to hear the efforts of the Hague propaganda

(Continued on page 17).

The Wealth of Nations

An Enormous Part of Mushroom Wealth of the Modern World is Wholly Factitious and has no Substantial Basis in Reality

By W. W. SWANSON, Ph.D.

In 1776, Adam Smith, the father of political economy, published his epoch-making work, the *Wealth of Nations*. It is only in recent years that the significance of the title of his great work has been understood and appreciated. Adam Smith was not so much interested in the economic status of the individual as in the welfare of the nation as a whole.

the prosperity of the common people. Most modern economists have taken altogether the individual point of view in their investigation of the production and distribution of wealth; and as a consequence much confusion has arisen in our thinking upon these problems.

It will be recalled that the *Wealth of Nations* appeared in the year in which the American Colonies gave their Declaration of Independence to the world. It was the leading economic treatise of all those feverish years which culminated in the French Revolution of 1789; and to it men turned for guidance and direction. It might even be said that Adam Smith was the first great internationalist, at least in the sphere of economic thinking; for he demonstrated conclusively that one nation does not, and cannot, gain at the expense of another, but that both gain when both prosper. He emphasized the fact that, economically, a wealthy nation is a splendid neighbor, and that the increase in its wealth and the growth of its financial power are matters of congratulation for all concerned. He saw no menace to Great Britain in a socially sound and prosperous France, or in a British colony on the high road to wealth. He gave the coup de grace to the outworn conception that a bargain in trade is a benefit to only one of the parties concerned. He realized full well that all who participate in trade and commerce gain and secure for themselves almost always an economic surplus.

It is true that he emphasized also the need of making the individual economically strong. He accepted the philosophy of the day which was to work such striking results in America and France—that the state exists for the individual and not the individual for the state. It was his firm belief that all men are born free and equal; that they start life, for the most part, with the same aptitudes and with the same possibilities, and that it is largely environment and opportunity that determine what the individual shall be. It was because he was so profoundly convinced that this was true, that he was anxious to make clear how, through utilizing the full economic resources of the community, the individual would most gain. He understood better than any other man of his time that there was a clash between the economic interests of the monopolists, and those of the nation at large, and that private gain too often meant public loss. Realizing that the common man could only prosper as the welfare of the whole state was kept in view, he called his great work the *Wealth of Nations*.

THE DOMINION'S WEALTH.

The last Canadian census disclosed what seemed a staggering increase in the national wealth of Canada. The Report on the High Cost of Living, given to the public a year ago, also makes much of capital investments in Canada, and of the tremendous growth of the country's wealth. A dazzling array of figures is presented therein by way of proof that the wealth of the Dominion has increased mightily during the past decade—in her railroads, factories, farms and fisheries. In truth, the increase of wealth as disclosed by the census returns and the Cost of Living Report would seem to demonstrate conclusively that the wealth of this nation has far outpaced its increase in population. And since the war, evidences on every side—in increased bank deposits, in larger factory output, enormously increased exports—go to show that Canada has become an exceedingly prosperous nation. And yet, in large measure, to the average man, these figures and estimates are merely a too bitter jest. Never within the past ten years has it been more difficult for the ordinary working man in this country—the day laborer, the teamster, the laundry driver and even the skilled artisan—to make ends meet.

It is admitted by all who have made a careful investigation of natural wealth that the United Kingdom, at the outbreak of war, had the largest capital fund in the world, having not less than \$20,000,000,000 invested abroad, not to mention the far greater capital investments at home. And yet one-third of the population of the United Kingdom was living near the poverty line. Even in the United States, whose publicists are eager to assure the world that more capital is controlled within the Republic than in any other nation, large masses of the population are living close to the danger line of poverty. To doubting Thomases, it may be recalled that when war broke out in August, 1914, tens of thousands of workmen in the Republic were thrown out of employment; and in scores of cities soup kitchens and bread lines became the order of the day. It is merely the bitter truth that in the most prosperous nation in the world, the majority of the working class are living close to the margin of economic sufficiency; and that unemployment for a week, and certainly for a month, will render most of them dependent upon public and private charity. What, then, is the significance of these undoubted facts?

A BURDEN.

An analysis of the figures presented in the census reports of Canada, of the United Kingdom, and the United States, undertaken in the light of what has been said, shows that we have not much reason for our self-congratulation over the enormous increases in wealth. It will also demonstrate that we need once more to return to Adam Smith's sane view of what in reality makes up the wealth of nations. Much of the so-called wealth of the countries mentioned, including our own, represents merely an accumulated and fixed burden upon the people. New investments in Canada, particularly in railroads and farm lands, do denote actual wealth increase, and increased economic welfare. The figures in the census report, which show that we have carved out from the wilderness in Northern Ontario, and the vast virgin stretches of western prairie land, new farms and made room for new settlements, villages and towns, do denote that the nation's wealth has been actually increased. And new factories, new houses, new railroads and added economic equipment in general are, it goes without saying, an increment in the country's wealth. Nevertheless, a very large part of the so-called increase in Canada's wealth is not wealth at all, but merely a re-valuation of property which in itself has not changed. That is to say, from the point of view emphasized by Adam Smith in the *Wealth of Nations*, an enormous part of mushroom wealth of the modern world is wholly factitious, and has no substantial basis in reality.

The people of any country are vitally concerned in community wealth, and in community welfare—in the prosperity of the average individual, and not in the bloated fortune of a lucky individual who has plunged on the Winnipeg Grain Exchange or has taken a flier in war stocks. The increase in the country's economic equipment is the real sign and proof of the people's prosperity. As has been said, additional houses, better living conditions, more efficient railways and new farms, all denote an actual increase in wealth; but the holding of a lot on one of the main streets in Toronto or Montreal until the city's growth gives it a great value can in no sense be regarded as an increase in wealth—except to the holder thereof. It represents, in fact, nothing more or less than the owner's ability to levy toll upon the community, a power and right which he capitalizes to the fullest extent possible. This hardly needs further consideration; it is self-evident. It is absurd that the actual scarcity of city lots, in proportion to population, should be regarded as highly desirable in any community. And yet city officials, in normal years, point with pride to the increased assessment value of city property, represented in part by scarcity value in land. This brings us to the conclusion that an abundance of building land would be bad for the community, since the value of realty would fall; while an actual scarcity of land for building purposes would be a matter of congratulation. To put it in another way; an abundance of economic goods, among possessors, is regard-

ed as a calamity; while scarcity and high prices mean wealth and prosperity. This throws much light upon the cost of living problem in Canada. Our economists need once more to emphasize the truth of Adam Smith's dictum that true prosperity is to be found in abundance and not in scarcity, and that real economic progress is found in the increase of the nation's social equipment, and not in private gain.

The truth is, that a vast amount of the alleged increase in the wealth of Canada and the United States comes from mere scarcity value—a scarcity value that arises through a limitation of the supply. Flour, for example, is rapidly approaching famine prices in Canada; and the millers have entered upon an era of prosperity such as they have never known before. But can any sane man assert that flour at famine prices—which means wealth and dividends to mill owners—is good for the people at large, in this country? From one example learn all. Our lands, our farm products and our factory output have, in recent years, been given a scarcity value which brings wealth to private individuals, but privation and suffering to the country at large.

This is the key to the problem which has faced us as a nation during the past decade—a vast increase in national wealth, as disclosed by the census returns, and a constantly increasing pressure upon the common man which has held him down in his efforts to make a living. This is the high cost of living problem, a problem which has baffled and bewildered most investigators. Year by year the non-capitalistic class has had to take a larger share of its income and hand it over to those who own the capital equipment of the country, and who control the economic output—to those who own the railroads and the factories and the mines. It must be admitted that it is a sign of vitality that the Canadian people have been able to do this, and still hold tenaciously to a high standard of living. It is essential, of course, that owners of property should receive a fair and an adequate return for the use of that property, and for the service they render thereby. It is not that the average man has any real grievance against capital that protest is made against the present conception of economic welfare, but rather that capitalists and workers alike have had the private, rather than the national, end in view in their economic activities.

Adam Smith realized full well that it was only through the prosperity of the individual that the nation at large could become economically powerful. His was the most powerful influence of his day making for the breakdown of monopoly and privilege, and for the safeguarding of the material rights of the individual producer. He realized, nevertheless, that true prosperity consists in economic abundance, and not in scarcity values. He placed the emphasis upon output, rather than upon limitation of supply. He knew perfectly well that wealth from the individual's standpoint could be increased through monopolizing and limiting the output of goods. He also knew that the individual would prosper through selling at a fair profit, and through increasing his output and sales under conditions of free competition. Under his hammer strokes the various "patents of monopoly," which had been granted from time to time to favored individuals and trades in the country, were abolished. He saw in abundance, and not in scarcity, the true test of a people's material progress.

During the years 1909 to 1913 mergers were formed in Canada covering the following motley array of goods: Soap, cereals, asbestos, bread, flour, milk, cars, leather, lumber, cement, dried fish, carriages, bolts and nuts, steel coal, ice, felt, shoes, furs, crockery, paints, jewellery, canned goods, light and power, and shipping. It is not to be denied that these combinations have effected great economies both in primary production and in the marketing of goods. On the other hand, it is equally evident that limitation of supply was at least a factor in the merger movement. Only when a trade has become demoralized through over production—a production that will not yield a price that approximates the cost plus a fair profit—can limitation of output be justified. The truth is, that if Canadians are to achieve real and permanent prosperity after the war, they will be obliged to turn from real estate speculation, stock-jobbing and the formation of combines in restraint of trade, to real productive effort. Only by increasing the economic output of the national equipment can capital receive a just return, labor, fair wages, and the nation maintain its credit unimpaired. And that will necessitate the placing of the nation's interests above those of the private manipulator, or the private monopolist.

Mentioned in Despatches

LIEUT. THE HON. CHARLES MOLESWORTH.—Ireland may not have very many men at the front, but those that are there give a good account of themselves. Lieut. the Hon. Charles Molesworth, only son and heir of Lord Molesworth, has just been killed at the front. The family titles go back for 200 years, and were given in the first place for meritorious service rendered to the British Court by Sir Robert Molesworth as ambassador to the Court of Denmark. The young man who was killed was a lieutenant in the Duke of Cornwall's Light Infantry, and was only twenty years of age.

LORD GRIMTHORPE, who has just died, was a somewhat eccentric and extremely wealthy member of the peerage, his estate amounting to some twenty-five million dollars. Grimthorpe was best known as a church architect and an amateur clock maker, and has to his credit the great clock in the Victoria Tower in the Houses of Parliament, Westminster, and also the great clock of St. Paul's Cathedral. He also restored St. Alban's Cathedral, paying the cost of over one million dollars out of his own pocket. Another of his eccentricities was shown in the matter of his estate. He steadily refused to make a will, but fragments of some three hundred documents and slips of paper, each of them a miniature will, but many of them in direct contradiction, were found after his death. The probabilities are that legal complications will help eat up a good portion of the twenty-five million he left. His chief heir is Capt. the Hon. Ralph Beckett, now serving with the Yorkshire Hussars in Palestine.

VISCOUNT GREY, better known as Sir Edward Grey, who has been in retirement since he resigned office as Foreign Secretary, has recently come into the limelight again. Grey has written a letter to a friend in the United States in which he goes extensively into the causes of the war and analyzes the situation so clearly that he leaves Germany without a leg to stand upon. The letter has been published and has created a great deal of favorable comment in the neighboring republic, although they know very well who was responsible for the outbreak of hostilities. Friends of Grey will regret to know that his beautiful home at Pallodon has been destroyed by fire. For over eleven years Sir Edward Grey was Britain's Foreign Secretary, and no man has ever filled the office in a more able manner than this quiet, thorough going man from the northern part of England. Although but little over fifty years of age Grey has been in Parliament for thirty years and has held office for a good proportion of that time. By birth, education and in every other particular, Viscount Grey typifies the best side of English public life.

GEN. SIR JAMES WILLCOCKS, one of the old commanders of the British Army in France, has got a new "job," being governor of the Island of Bermuda and commander of the forces stationed there. Gen. Willcocks in many respects has the most unique history of any man in the British Army. He has not only taken part in more wars than any other officer in the British Empire, but almost failed to get into the army at all. He was born in Delhi, India, a few weeks before the outbreak of the Indian Mutiny and while there had many narrow escapes from meeting death at the hands of the mutineers. As a boy he ran away to sea and wandered around the world on tramp steamers and sailing vessels. He tried twice to pass his examinations for an officer, but failed. Later he managed to squeeze through and obtained a commission. Then came his chance. Within a year he accompanied the late Lord Roberts on his march to Kandahar, and from that time to the present has been taking part in border wars and scraps of one kind and another, with such big fights as the Egyptian Campaign, the South African War, and the present big struggle thrown in as good measure. He is known as "Indian Willcocks," and while the Hindu soldiers were in France they were under the command of Willcocks, who possesses an almost uncanny power over the natives of India. Willcocks is more than a soldier, he is a linguist, a big game hunter, a military engineer of repute, and in general an all round man. He resigned his command in France some eighteen months ago as a result of a disagreement he had with Sir John French, who was then in command of the British forces in France.

MR. C. A. HAYES, who has been appointed general manager of the Intercolonial Railway as successor to F. P. Gutelius, was formerly general traffic manager of that road. Mr. Hayes received the major portion of his training in the Grand Trunk, where he was generally regarded as one of the most efficient traffic men in the Dominion. He has many excellent qualifications and personally is extremely popular with his associates.

FIELD MARSHAL RADOMIN PUTNIK, former Minister of War in Serbia and Chief of the General Staff, has died. Putnik became a national hero as a result of the excellent work he did in the two Balkan wars, and in the early stages of the present conflict. He was born in 1847, the son of a poor school master, entered the Army and became a professor in a military academy where he became a recognized authority and incorporated his military lore into a number of text-books. He was commander-in-chief of the Serbian forces earlier in the present war and won many victories over the Austrians. When his country was invaded by vastly superior forces he conducted a masterly retreat and saved the greater portion of his army. During all this time he was so ill that he had to be carried on a stretcher.

WILLIAM H. DAVIES, author of "The Autobiography of a Super Tramp," is the latest writer to catch the fancy of the literary world. In England he is known as the Tramp Poet, but as he has spent several years in the United States and Canada people on this side of the water have more than an ordinary interest in his life and work. As a young man he decided to visit the United States, and on landing in New York fell in with a tramp, who persuaded him to join him in his meanderings. For the next five or six years he tramped all over the country, and also crossed the Atlantic two or three times on cattle boats. While riding the bumpers on a train across Canada on his way to the Klondike, he fell off and lost his leg, which put an end to his wanderings. He then went back to England and settled down to write. To-day he is enjoying a pension of \$500 a year, granted him by the British Government for his Service to Letters.

MAJOR PEREGRINE ACLAND, son of Deputy Minister of Labor Acland, has just returned from the front incapacitated for further service as a result of terrible wounds received eight months ago. Acland had just graduated from the University of Toronto when the call came. He enlisted in the Highlanders as a private, being one of over a score of college boys from one fraternity to enlist. Acland soon won his commission and further promotion for splendid services rendered at the front. He won the Military Cross, and was frequently mentioned in despatches for doing exceptionally good work. He was desperately wounded, and for a long time his life was despaired of.

MAJOR-GEN. SIR JOHN CARSON is the latest Canadian to secure a title. General Carson is a native of Montreal and has been identified with the insurance, financial and military history of the city for the past half century. He was born in Montreal in 1864 and as a young man went into the insurance business, later taking up mining, and from that going into financial affairs. He organized and was president of the Crown Reserve Mining Company, managing director of the Crown Trust Company, is a director of the Union Bank and a number of other corporations. In military matters he is equally well known, having been a former commander of the 5th Royal Highlanders and of the Grenadier Guards. Since the outbreak of hostilities he has been in London in charge of the Records Office, and as the personal representative of Sir Sam Hughes.

MAJOR BALLANTYNE FLEMING.—Another British Member of Parliament, in the person of Major Ballantyne Fleming, has just made the supreme sacrifice. The dead soldier statesman was a lawyer and had represented an Oxfordshire division in Parliament for the past seven years. At Eton and Oxford he was famous as an oarsman, rowing in all the big matches and bringing many honors to his Alma Mater. For many years he was active in military affairs, and at the front was a major in command of the Oxfordshire Yeomanry. He was only thirty-five years of age.

DAVID LAMAR, known as the Wolf of Wall Street, has been sentenced to a year in the penitentiary for treason and interfering with the shipment of munitions. Lamar has had a chequered career, but of a most unsavoury nature. He has many times been before the Courts for fraudulent undertakings, so much so that years ago he was given the name "Wolf of Wall Street."

HON. J. W. De B. FARRIS.—Easterners seem to have a faculty of getting to the top, and the Hon. J. W. De B. Farris, the new Attorney-General and Labor Minister of British Columbia, is no exception. Mr. Farris is a young Vancouver lawyer, and was first elected to Parliament a few months ago. Farris comes from New Brunswick, but has been in the West for ten years. He is a Radical of the first water, as is evinced by the fact that he holds a double portfolio, the rather unusual combination of an attorney-generalship and the ministry of labor.

M. KERENSKY.—The condition in Russia seems to be improving, a state of affairs largely due to the energetic work carried on by the new Minister of War, M. Kerensky. Kerensky is a Socialist, a Radical, and one of the most progressive figures in the Russian Empire, yet is out and out in favor of standing up for the Allies and prosecuting the war to the very end. He succeeded Prof. Milukoff, who showed a tendency to yield to the demands of the soldiers and working men's council. For example, Milukoff said soldiers need not salute or obey their officers. Kerensky says that the first duty of a soldier is to obey, and has started on a tour of the entire front to see that officers and men are in shape to fight the Huns. It is to be hoped that Kerensky will be able to carry his plans to a successful conclusion.

WHAT NEW YORK SPENDS IN A DAY.

New York City spends \$13,006,822 a day on the ordinary business of living!

That is the daily average budget of Father Knickerbocker's family through 265 days in the year. In tips alone the family dispenses \$60,000 daily, but, big as it is, this item is not out of proportion in the expense account of a family whose hotel and restaurant patronage costs it nearly a million dollars—actually \$919,500—each day.

Of course the family is large. Besides Father Knickerbocker it includes 5,602,840 offspring with interests as diversified as the field of human endeavor in the pursuit of business and pleasure permits.

With an income so far in excess of even his huge expenditures that he had no occasion to worry over finances Father Knickerbocker didn't even know what he spent until the war-time plan for economy caused the *Annalist*, as an expert accountant, to go over his books. Basing its deductions on estimates provided by the most expert of Father Knickerbocker's stewards in his household, the *Annalist* presented to him the record that showed he spent last year \$4,733,109,760, or nearly as much as the whole of the \$5,000,000,000 war-time bond issue!

NEW YORK CITY'S DAILY COST OF LIVING.

Food	\$2,767,079
Rent	2,710,123
Light	192,432
Heat	390,021
Ice	41,195
Domestic help	130,501
Apparel	377,922
Transportation	306,094
Universities and private schools	35,332
Newspapers	29,158
Medical and dental attention	70,245
Drugs, etc.	257,700
Charity	54,794
Funerals	15,986
Taxes	567,468
Mail, telephone, and express service	236,035
Advertising	73,336
Building construction	607,086
Livery bill	117,211
Commissions on stocks and bonds	215,810
Laundry	18,897
Hotel and restaurant service	919,500
Alcoholic drinks	500,000
Confections	147,945
Tobacco	165,780
Automobiles	663,534
Tips	60,000
Theatres	152,075
Toys	5,239
Sporting goods	4,871
Miscellaneous	1,173,398
Total	\$13,006,822

Public Opinion

AMERICA'S MISSION TO RUSSIA. (Boston News Bureau).

Our mission to Russia will call for prestige, wisdom and tact. It will have the errand of teaching, encouraging and sustaining—a very varied diplomatic and business role. No American, particularly as regards reputation abroad, could be found so available as Root for this task of constructively guiding the stumbling steps of the new republic, as the many achievements of exposition and organization in his long career have proved. Russia is given the best possible guide, philosopher and friend to help solve the problems within and beyond her borders.

That the new provisional government should have encountered difficulties after the amazingly dramatic feat of the revolution was highly natural. Every form of Teuton intrigue has as naturally conspired to accentuate these.

SLACKER WHO MADE GOOD. (London Chronicle).

G. B. tells the story—and it is only one out of very many—how one slacker has made good. "This particular young man," he writes, "was a magnificent fellow physically, the very type of a soldier; but for the first eighteen months of the war he refused point-blank to enlist. He turned a deaf ear to all appeals to his manhood and patriotism, to abuse and to scorn. He did not seem ashamed to be known as the champion slacker of the town; and it was only when conscription laid its hand on him, and he was compelled to go, that he joined the army. And yet this man, who was branded to the world as a coward, has proved himself a hero. Before he had been a week at the front he had won the D.C.M. by an act of the most reckless bravery. This feat was followed by many others; and presently news came that he had been shot through the heart while trying to rescue a wounded friend in 'No Man's Land.'"

THE POISON IN SALT.

As far as the supply of salt goes there is enough available to last us forever. Michigan alone, according to the Popular Science Monthly, claims to be able to supply the whole world for two thousand years with all the salt it needs. But no matter how plentiful salt may be it has the disadvantage of being a poison, for no salt is wholly pure. Thus, if the poison in salt can be eliminated vast additional sources will be available.

Scientists have come to the front and have tackled the problem successfully. By adding a solution of just the right amount of sulphate of soda, the barium a poison, for no salt is wholly pure. Thus, if the with it is removed the pink or brownish color, due to iron salts. Thus is made available an unlimited supply of salt, which means more raw material for our chemical industries, because the barium-bearing salt is used for salting hides, for glazing pottery and for making ice.

ARTHUR JAMES BALFOUR. (Sydney Brooks, in N.Y. Tribune).

More perhaps, than any British politician since Charles James Fox, Mr. Balfour has charm. The easy and indisputable ascendancy over the Conservative party which he exercised in spite of many patent defects of leadership was at bottom a triumph of personality.

He had, of course, many other assets—a great social position and connections—one may think of him as the finest type of the British governing class—a long and intimate experience of parliamentary life and business, a noble gift of debate, a flashing, luminous, versatile mind. But what has made and kept him the most warmly liked member of the whole house is the man himself and the extraordinary sweetness and sympathy of his nature. He has endeared himself to both sides of the most critical chamber in the world by a hundred bonds of real, personal affection.

Gladstone loved him as a son. His perfect courtesy to opponents, those little touches of chivalry that count for so much in an excitable and disputatious assembly, his disdain for mere personalities and the instant elevation of tone that his disdain engenders, have done more even than his gifts of mind and speech to establish him in the first place in the sentiments not only of his own party, but of the whole house. If he was not a great party leader, he was and is an irresistible critic, a fine intellect, a fascinating character and a great gentleman.

QUAKERS IN WAR. (Public Ledger).

"The Quakers may be depended upon, however, to prove loyal to the nation and to human liberties," writes Horace Maher Lippincott, "even if they show it in as peculiar a way as one of their number who was a ship's captain and lay at anchor in a foreign port. Espying a piratical-looking fellow coming up a rope over the side of the ship, he said:

"Friend, if thee wants that rope thee can have it," and he cut the rope, letting the marauder down to a watery grave, quickly and quietly."

THE REAL PROBLEM. (Vancouver News-Advertiser).

It is frequently said that the question of the returned soldier is the most serious one before the country. It is serious enough, but there is a more urgent matter. That is, the question of the departing soldier. What shall be done after the war may now be properly considered. But what we shall do during the war to win the war is a more urgent and insistent question.

"DRIVING MEN INTO THE WAR."

The use of the bagpipes, as a means of encouraging recruiting, has been proposed to Jay E. House of the "Second Thought" column of the Topeka (Kan.) Capital, and it is difficult to refrain from admiring the high ground upon which he bases his argument against such a step. "We don't believe," he says, "it is going to be necessary to drive men into the war." It might be well enough, perhaps, to see what the selective draft will do before going to extremes.

INITIATIVE PERMANENTLY LOST. (New York Tribune).

Everything that has happened since the British stepped out of their trenches on Easter Monday confirms the fact that the initiative has been permanently lost to the Germans on the West, that they are manifestly out-gunned and that they are compelled to fight a steadily losing battle. It is necessary, on the other hand, to recognize that in the last two weeks there has been a total refutation of any charge that German morale as a whole has broken down. German troops have never fought better in the war than they have fought in the last two weeks before Arras. But this is mainly due to the fact that the Germans have been obliged to use their picked troops, selected to make an offensive elsewhere, in endeavoring to bolster up a threatened line.

A VILE SOUL.

Latest news regarding Dr. Beland, M.P., imprisoned in Germany, is given to the London Canadian Gazette, by a Mr. C. E. Mellor, who, before the war, engaged in horse-breeding in Germany and was ultimately confined in the Stadtvogel, a prison in Berlin. There he met Dr. Beland and became very friendly with him. To a representative of the Canadian Gazette, Mr. Mellor related how, last December, Dr. Beland lost his wife, and how, though the prison commandant was willing to let him go to see his dying wife, the Ober Kommandatur in Berlin refused permission. Dr. Beland is suffering in his health from his long confinement, and naturally his terrible grief has been like a final blow to him. Mr. Mellor says that the only exercise Dr. Beland is allowed is in a corridor and in a square 10 feet by 10 feet, and that he gets no fresh air. The food in the prison is abominable, and Dr. Beland lives on the parcels sent to him through the agency of Sir George Perley. Every effort has been made to obtain Dr. Beland's release, but the Germans refuse all applications. Mr. Mellor describes Dr. Beland's health as very poor, and he fears that another summer in the prison, when the lack of fresh air is felt much more than in the winter, will be fatal.

Here you have an illustration of Teuton humanity. A man who is past the military age, who was not a soldier in arms, whose occupation is to save not destroy life, who is in poor health, is held a prisoner, and is held a prisoner under inhuman conditions. The only adequate explanation is spite. In a thousand ways in this war the same story is shouted by the facts of Teuton doings—namely, that the Prussian soul is vile.

A BOOST FOR PROHIBITION.

Farm bureau managers and officers of agricultural associations, representing more than 25,000 farmers, recently held a meeting at the College of Agriculture of Cornell University to demand the total prohibition of the manufacture of liquors made from grain, the object being to save the grain for foods. Mars needs bread, not beer.

THE WINNING SPIRIT. (Chicago Tribune).

We need the spirit of Ty Cobb and Hughie Jennings and Joan of Arc. We do not care how good the pitching is—and the Germans are wonderful pitchers—we intend to make the seventh inning rally and get in the winning runs. Let the other fellow go dejected to the clubhouse. We shall not need our end of the ninth inning. The game will be over when our time comes for that.

KITCHENER'S PREDICTION.

There may be nothing to it, but in seeking for the explanation of the slow German retreat on the Somme there comes to the recollection of the Waterbury American Earl Kitchener's oracular utterance in the fall of 1914, after the trench warfare had begun. "The army that first leaves its trenches," he said, "will be beaten." If this prediction is justified it will deserve to be set alongside his then startling prediction that the war would last three years.

DRAIN ON NONESSENTIALS.

(From the Springfield, Mass., Republican.)
There ought to be economy of expenditure by one people in certain lines. Heavy taxation for war purposes will tend to force economy and thus eliminate extravagance and waste. A great modern war necessarily involves a transfer of wealth from private persons to the government for public uses and taxation brings it about. The transfer of wealth should be, as far as possible, a drain upon the nonessential industries rather than the essential industries, upon the production and sale of luxuries rather than upon the necessities of life. This process cannot go on, of course, without a readjustment injurious probably to a certain number of individuals, but in the broadest sense the national welfare will be promoted by the transfer of labor from nonessential to the essential occupations.

A NEW DEAL.

(Southern Lumbermen.)
The game preserve together with the idea, ingrained in the mind of the British upper classes, that game preservation is a higher duty than the raising of food for the people, is doomed to modification if not to extinction. Several months ago Premier Lloyd George made plans for the compulsory use of parks and other wild property in Great Britain for the growing of foodstuffs. Among the parks taken over are Richmond and Bushy parks, near the Thames and in the fashionable southwest district of London. Richmond Park contains 2,225 acres. It has quite a history. In the year 1637, King Charles the First ordered that it be enclosed and used as a hunting park. Bushy Park is only 1,000 acres in extent, but it contains numerous horse-chestnut trees said to have been planted by William the Third. It is said that these trees will not be destroyed.

Bushy Park lies close to the centre of London; and it has long been a point upon which Britain's critics reproached her that almost within hailing distance of the notorious slums, there existed great open areas given up to the sports of the privileged classes.

All this is to be changed under pressure of war. And it is probable that the old order never will return. An English paper says, however, that this scheme of park cultivation must not be confused with any vandal plan to tear up the beauty spots of the country for purely materialistic purposes. London's great parks and the breathing places of the people are to be preserved as they are now. The new order is aimed chiefly at the hunting preserves and the unused areas which are put to no utilitarian use.

In the aggregate the addition to the arable area of the British Isles will be very great. The real significance of the movement consists, however, not in the immediate results gained in the way of greater food supply, but as indicating the general trend of the times away from militarism and toward industrialism. Big parks, great hunting preserves, were the fruits of military conquest. These things were sign and symbol of humanity's belief that might makes right. This belief was a delusion and is passing away. Humanity is evolving to a new plane, of consciousness—a painful process, but inevitable.

AMONG THE COMPANIES

TORONTO PAPER CO.

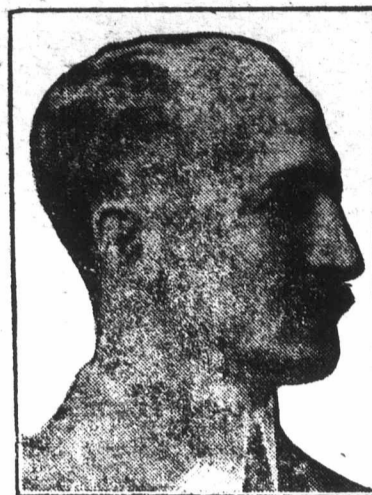


MR. C. B. GORDON,
President Dominion Textile Co.

The Toronto Paper Manufacturing Company has declared a dividend of three per cent, plus a bonus of two per cent, for the half year ending June 30 to shareholders of record June 23. Dividend and bonus payable on July 3.

APRIL RETURN OF ROYAL BANK.

The Royal bank's return shows total assets of \$302,421,078, compared with \$287,596,697 at the end of March, an increase of \$14,824,481. This gain is almost entirely due to the very large increase made in deposits during the month of April. Total deposits at the end of April were \$242,051,624, compared with \$227,730,055 at the end of March. This permitted of considerably larger business being transacted; and loans and discounts at end of April totalled \$149,681,599, compared with \$144,169,551 at end of March. Call loans at end of April totalled \$26,494,722, compared with \$23,445,318 at end of March.



C. HOWARD SMITH,
President Howard Smith Paper Co., the securities of which have just listed on the local exchange.

ST. MAURICE STORAGE DAM.

Sir Herbert Holt, president of Civic Investment and Industrial Co., and Mr. J. E. Aldred, president of Shawinigan Water and Power Co., are leaving on a trip of inspection to the storage dam at La Loutre on the St. Maurice river. The works, which will probably be completed some time this summer, will bring the minimum flow on the St. Maurice to about 15,000 cubic feet per second against the present minimum of 8,000, with consequent benefit to the many industrial enterprises which have been developed in the St. Maurice district in recent years. The storage works have been constructed under the direction of the Quebec government and the premier, Sir Lomer Gouin, may form one of the party on the present trip of inspection.

CANADIAN RAILWAY EARNINGS

The gross earnings of the three principal Canadian railroads for the third week in May totalled \$5,359,954, an increase of \$968,175, or 18.06 per cent. This corresponds with 21 per cent for the second week. A summary follows:

	1917.	Inc.	P.C.
C. P. R.	\$3,074,000	\$464,000	17.1
G. T. R.	1,425,554	336,875	30.9
C. N. R.	860,400	167,300	24.1
Totals	\$5,359,954	\$968,175	18.06

PORTO RICO RAILWAY.

Porto Rico Railway earnings for April are: Gross, \$76,057.77; increase, \$3,542.94, or 4.88 per cent, net, \$25,455.30; decrease, \$12,532.77, or 82.99 per cent.

For four months, gross \$292,861.86; increase, \$7,971.05, or 2.79 per cent; net, \$125,753.49; decrease, \$21,938.14, or 14.85 per cent.

Owing to prolonged drought it was necessary to operate the company's steam plant for the first twenty-four days of April, which, due to the present high cost of fuel, resulted in the operating expenses being abnormally increased.

DOMINION TEXTILE CO., LTD.

The annual statement of the Dominion Textile Company for the year ended March 31st, was the best ever issued by the company.

Sales during the year totalled \$13,375,750, an increase of about 28 per cent over last year.

Net profits, including the dividend from Dominion Cotton Mills Co., were \$1,657,083, an increase of \$101,510, or about 6½ per cent over the record established in 1915-16. The balance after rentals, interest charges and preferred dividends was \$777,908, also a high record. The increase, as compared with the last year, was \$142,355, or about 22 per cent, and the balance represented earnings on the common stock at the rate of 15.6 per cent, against 12.7 per cent a year ago.

After reserving \$100,000 towards the Government war tax, writing off \$7,275 for bad debts and donating \$20,000 to the Patriotic Fund, there was a net surplus of \$350,632 to be added to profit and loss surplus.

Comparisons of profit and loss figures for three years follow:

	1916-17.	1915-16.	1914-15.
Profits	\$1,582,705	\$1,481,195	\$1,230,767
Other inc.	74,377	74,377	74,250
Total increase.	\$1,657,083	\$1,555,573	\$1,305,017
Rentals	469,165	566,056	564,252
Balance.	\$1,187,918	\$989,517	\$740,765
Bond int.	274,678	219,144	219,121
Balance.	\$913,239	\$770,373	\$521,644
Preferred dividends	135,331	134,820	134,870
Balance.	\$777,908	\$635,553	\$386,774
Commercial dividends.	300,000	300,000	300,000
Balance.	\$477,908	\$335,552	\$86,774
Written off.	7,275	8,945	24,226
Balance.	\$470,632	\$326,608	\$62,547
Patent Fund	20,000	15,000	10,000
Balance.	\$450,632	\$311,608	\$52,547
Water tax re	100,000	100,000
Surplus.	\$350,632	\$211,608	\$52,548
Previous surplus.	1,093,534	881,926	829,379
Profit and Loss.	\$1,744,166	\$1,093,534	\$881,926

CIVIC POWER IN GOOD POSITION.

The first report of the Civic Power and Investment Company shows that the earnings for the nine months ending April 30th, amounted to \$6,785,000. The report covers nine months because the new organization started its year on August 1, last when the Civic Investment & Industrial Co., absorbed the Montreal Light, Heat & Power Co., the Cedars Rapids Manufacturing & Power Co., and their subsidiaries.

After meeting fixed charges of subsidiary companies, the net income for the year was \$2,486,009, equal to earnings at the rate of 5.2 per cent, a year on the company's \$63,717,200 capital stock.

Three quarterly dividends were paid at the rate of 4 per cent, per annum, and \$10,000 was set aside for the officers and employees' pension fund, leaving a net balance of \$572,614 with which to start a general surplus account.

MARITIME COAL RAILWAY AND POWER COMPANY.

Directors of the Maritime Coal, Railway and Power Company at a recent meeting declared an initial dividend on the common stock of one per cent for the quarter ended May 31. It is presumed that this places the stock on a regular 4 per cent basis.

The company has a common share capital outstanding of \$2,000,000 with a small issue of preferred, so that the quarterly dividends will call for \$20,000 or \$80,000 per annum.

The last annual report for the fiscal year ended February 28, 1917, showed that the surplus for the year was \$65,355 and the previous balance brought the surplus up to \$144,022. The net for the year was \$176,349, of which \$97,682 went for bond interest and \$3,310 for preferred dividends.

The company reported a good year last year with its coal properties, but its electrical department showed a small deficit.

SHOULD FEEL SHEEPISH.

The discovery that there are only two million sheep in Canada and that as a consequence we pay over 30 million dollars yearly in imports for clothing, is calculated to make us wild and woolly.—Ottawa Citizen.

THE TRINIDAD ELECTRIC CO.

The earnings for April, 1917, of the Trinidad Electric Company of Halifax are:

	Gross.	Net.
Railroad	\$11,289.62	\$4,705.84
Light and power	10,303.59	4,531.75
Ice and refrig.	2,942.59	819.39
Total	\$24,535.80	\$10,056.98

SMART-WOODS, LTD.

Directors of Smart-Woods, Limited, have replaced the common stock of the company on a 5 per cent dividend basis, distribution at that rate having been interrupted in 1914 on the outbreak of the war. In that year 2½ per cent was paid, against 5 per cent in the previous year.

The company also suspended payments on the preferred, but the accumulation on that account was cleared off some time ago as the result of the improved conditions attending the company's operations.

The dividend is payable June 1 to stock record of May 26.

LARGE CHARTERS ISSUED THIS WEEK.

Last week's Canada Gazette contains notice of incorporation of several large companies. The most important is the Russo-Canadian Development Corporation of Montreal, with a capital of \$7,500,000.

The incorporation letters patent for this company are issued to Gordon Walters MacDougall, and Lawrence McFarlane, barristers; William Bridges Scott and John McNaughton, advocates, and James Geary Cartwright, office manager, of Montreal.

Another large company is the Hamilton Cotton Company, with a capital of \$1,000,000. The Goderich Drydock & Shipbuilding Company of Toronto, is incorporated with a capital of \$1,000,000.

Among the other companies granted letters patent are: Borden's Farm Products Company, of Toronto, with a capital of \$275,000; Girouard, Limited, of Montreal, capital \$30,000; Elwin S. Woods & Company, of Montreal, with a capital of \$40,000; Sugar Products, Limited, of Peterborough, with capital of \$50,000; Shipbuilders' Corporation, Limited, of Peterborough, with capital of \$50,000; Shipbuilders' Corporation, Limited, of Toronto, with a capital of \$250,000.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid Up	- - - - -	\$ 16,000,000.00
Rest	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,557,034
Total Assets	- - - - -	386,806,887

BOARD OF DIRECTORS:

SIR VINCENT MEREDITH, BART. President.
C. B. GORDON, ESQ. Vice-President.

R. B. Angus, Esq.	Lord Shaughnessy K.C.V.O.	Sir William Macdonald.
A. Baumgarten, Esq.	H. R. Drummond, Esq.	C. R. Hosmer, Esq.
Wm. McMaster, Esq.	Major Herbert Molson, M.C.	D. Forbes Angus, Esq.
		Harold Kennedy, Esq.

Head Office, MONTREAL

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

Bankers in Canada and London, England, for the Government of the Dominion of Canada.

Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.

Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

YEAR OF THE TRUST & LOAN CO.

The Trust and Loan Company of Canada is in receipt of a cable stating that the reports and accounts, which are being circulated from London, show the following results for the year ended 31st March last:

The net profits amount to £124,293. The statutory reserve fund has been increased to £432,054—while the special reserve fund has been increased to £140,000. The directors recommend a dividend at the rate of 10 per cent per annum (less 25 per cent for income tax), which will be laid on the 12th June.

The annual general meeting will be held on Tuesday, the 5th June, at the company's offices in London, England.

N. B. STARK & CO. TO REPRESENT GRACE & CO.

Grace Brothers & Co., Limited, with headquarters located in London, England will be represented in Canada by N. B. Starke & Co., after June 1. The Grace people operate on a very large scale in all the great staples of commerce. The parent company of this great business house is located in London, England, and operates under the name of Grace Bros. & Company, Limited. The American house is known as W. R. Grace & Company, with head offices in Hanover Square, New York.

The Grace Organization has its own branch houses in London, Liverpool, Manchester, Genoa, Italy; Stockholm, Sweden, and Barcelona, Spain. The company also has a subsidiary in Russia, known as the Grace Russian Company.

UNION BAG & PAPER CO.

The quarterly earning statement just issued by Union Bag & Paper Co. is of direct interest to a large body of shareholders in Canada and of indirect interest to holders of other paper company securities. Net earnings for the three months ending April 30th, the first quarter of the company's current fiscal year, were \$863,722, after deducting usual appropriations for repairs, etc. After deductions for depreciation, interest, taxes, etc., there was a net surplus of \$622,689. The outstanding capital stock of the new company, all in ordinary shares, is slightly less than \$10,000,000, so earnings for the quarter covered the full dividend for the year at the current rate of 6 per cent, and something more.

The regular 1½ per cent was declared for the quarter recently, but the showing made in the statement naturally suggests possibilities of extra distributions before the end of the year. At the close of the last fiscal year, in which the 6 per cent dividend was started only in the last quarter, the board declared an extra 2 per cent.

The company's head office is in New York, but the limits are largely in Canada.

DULUTH-SUPERIOR.

Gross passenger earnings of the Duluth-Superior Traction Company for the second week of May were \$27,910, compared with \$23,426, an increase of \$4,484, or 19.1 per cent. For the first two weeks of the month gross totalled \$56,799, an increase of \$9,903, or 21.1 per cent. The gross for the year to date is \$564,388, an increase of \$89,740, or 18.9 per cent.

GREAT BRITAIN'S WAR BILLS.

The Glasgow "Herald" of recent date writes: "The total commitments of Great Britain for the period which the budget will embrace will in all likelihood be modified by the participation of America, but only in regard to the sums which would once more have been placed at the disposal of the Allies by this country. The expenditure required to support our own efforts will not be reduced, and may even be increased; the principal relief to our finances will spring from the greater ease with which the overseas purchases will be provided for. Taking account, however, of the fact that in the year to March 31 last the total sum advanced to the Dominions and Allies was only a few millions short of £600,000,000, it is permissible to believe that American liberality will have the effect of moderating the Chancellor's demands. In the single vote of credit which has been taken for the present year expenditure was estimated at approximately £6,000,000 per day, to which must be added outgoings of approximately £1,000,000 per day, to be met from other sources. That would give a total for a complete year of £2,555,000,000, calculating the amounts allotted to the Dominions and Allies at the same figure as in 1916-17. To the extent that America assumes this liability the calls on the investor will be reduced. We shall need to borrow less. But the gross amount of the national debt at the end of the year may still be not much short of £6,000,000,000, or £5,500,000,000 above the figure of March 31, 1914. That involves an interest charge of approximately £265,000,000 a year, and to it must be added the obligations of the nation for pensions and other allowances. The needs are therefore heavy, and taxation in proportion to our liabilities must be boldly faced. But as we have suggested, America's action may be trusted to take some of the burden from our shoulders and bring about a corresponding reduction in interest-bearing liabilities. This may enable the Chancellor to increase taxation with a lighter hand and the income taxpayer should perhaps have a first claim to any indulgence."

HOWARD SMITH PAPER CO.

Howard Smith Paper Mill shares were called on the Montreal Stock Exchange for the first time on Friday. The shares are \$833,500 common stock, consisting of 8,355 shares of \$100 each; \$475,000 7 per cent cumulative preference stock, consisting of 4,750 shares of \$100 each.

GUELPH JUNCTION RAILWAY.

A special meeting of the Board of Directors of the Guelph Junction Railway was held recently. The principal business was the declaration of a dividend of 5½ per cent on the stock held by the city. The dividend of the first quarter of 1917, a cheque for which was paid over to the city treasurer, was \$9,350.

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$110,000,000

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

THE BANK OF NOVA SCOTIA

ESTABLISHED 1875

Imperial Bank of Canada

Capital Paid Up - - - - \$7,000,000
Reserve Fund - - - - \$7,000,000
PELEG HOWLAND, President
E. HAY, General Manager

HEAD OFFICE: TORONTO

Dealers in Government and
Municipal Securities.
Dealers in Domestic and Foreign
Exchange.

Careful attention given to Ac-
counts of Merchants, Manufac-
turers and Farmers

128 Branches in Dominion of Canada.

The Canadian Bank of Commerce

ESTABLISHED 1867

PAID UP CAPITAL - \$15,000,000 RESERVE FUND - - \$13,500,000
HEAD OFFICE --- TORONTO

BOARD OF DIRECTORS

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.	Z. A. LASH, Esq., K.C., LL.D., Vice-President.
JOHN HOSKIN, Esq., K.C., LL.D., D.C.L.	ROBERT STUART, Esq.
J. W. FLAVELLE, Esq., LL.D.	SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.
A. KINGMAN, Esq.	G. F. GALT, Esq.
HON. SIR LYMAN MELVIN JONES.	WILLIAM FARWELL, Esq., D.C.L.
HON. W. C. EDWARDS.	H. C. COX, Esq.
E. R. WOOD, Esq.	

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

BRANCHES IN CANADA

43 in British Columbia and Yukon. 89 in Ontario. 80 in Quebec. 134 in Central Western Provinces. 23 in Maritime Provinces.

BRANCHES AND AGENCIES ELSEWHERE THAN IN CANADA

St. John's, Nfld. London, Eng. New York. San Francisco. Portland, Oregon. Seattle, Wash. Mexico City.

The large number of branches of this Bank enables it to place at the disposal of its customers and correspondents unexcelled facilities for every kind of banking business, and especially for collections.

SAVINGS DEPARTMENT

Connected with each Canadian branch, Yukon Territory excepted, and interest allowed at current rates

STATEMENT OF U. S. PUBLIC DEBT.

A statement issued by the Treasury Department at Washington, gives the debt of the United States as follows: Debt bearing no interest, \$254,237,326; debt on which interest has ceased, \$1,459,220; interest-bearing debt, \$1,288,357,250; aggregate, \$1,544,053,795. Deduct—balance available to pay maturing obligations, \$146,778,453; net debt, \$1,397,275,337.

BANK OF FRANCE STATEMENT.

The Bank of France in its weekly statement reports the following changes for the week: Gold holdings increased 4,736,000 francs, silver holdings increased 261,000 francs, notes in circulation increased 50,464,000 francs, general deposits increased 117,247,000 francs, bills discounted decreased 20,961,000 francs, Treasury deposits increased 13,366,000 francs, advances decreased 1,398,000 francs.

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

	1917.	1916.	1915.
Gold	5,270,125	4,730,448	3,913,428
Silver	257,481	352,421	375,348
Circulation	19,395,500	15,434,935	11,829,222
General deposits	2,588,076	2,354,720	2,190,945
Bills discounted	1,924,179	3,163,920	130,320
Treasury deposits	81,204	9,917	110,613
Advances	1,123,353	1,274,150	644,728

BANK OF ENGLAND STATEMENT

The weekly statement of the Bank of England shows the following changes:

Total reserve	£ 54,000
Circulation, increase	181,000
Bullion, increased	233,641
Other securities, increased	8,379,000
Public deposits, decreased	5,876,000
Other deposits, increase	14,378,000
Notes reserve, decreased	6,000
Government securities, increase	81,000

The proportion of the bank's reserve to liability this week is 19.49 per cent; last week it was 20.42 per cent. Discount rate, 5 per cent.

MONTREAL STOCK MARKET.

The Street looks for brighter markets with the coming of June and Canadian stock exchanges showed a slight degree of optimism toward the end of last week, not because of any new circumstances that have arisen here, but as an effect of the buoyant tone in the New York market.

The week passed with little or no change in money conditions which have been tight since the last war loan, and with no indication of any modification in the new profits tax which is considered by many to be at the root of the recent depression. Payments for grain now being shipped out should relieve the situation by providing more abundant funds.

The volume of business for the week was light, but small gains were marked up for most of the leaders. Comparisons of the turn-over follow:

	Week ending—		
	May 28.	May 19.	May 27.
Shares	19,287	21,918	70,568
Mines	1,609	345	
Bonds	\$107,807	\$128,650	\$270,250
Unlisted shares	413	372	417
Unlisted bonds	\$241,560	\$746,900	\$2,000

GOLD RECEIVED BY CANADIAN TREASURY.

According to a despatch from Ottawa, the amount of gold received by the Canadian Treasury from the United States since the outbreak of war has been \$104,926,710 and the total amount received from all sources during the same period was \$950,606,105. The large amount of gold being sent to Canada was due to the exchange situation.

At the beginning of the war gold was sent from the United States to Canada for Great Britain, but in December, 1914, the flow changed and British gold was sent to Canada for transmission to the United States. The result of this great influx of gold has been to give to this country a mint with the largest capacity for refining raw gold in the world. The present capacity of the mint is 250,000 ounces, or \$5,000,000 per week. Since September, 1915, there has been received at the mint \$225,000,000 of raw gold, all of which has been refined here.

CANADIAN BANK CLEARINGS.

The total bank clearings from 22 Canadian banks aggregate for the week ending May 23, \$224,111,059. The total returns show an increase over those for the corresponding week a year ago, of \$46,320,842.

	1917.	1916.
Montreal	\$73,770,097	\$63,689,115
Toronto	51,903,325	46,715,898
Winnipeg	51,775,210	35,808,067
Vancouver	6,444,400	5,061,452
Calgary	5,828,292	3,938,706
Hamilton	4,638,096	3,045,982
Ottawa	4,528,034	3,941,367
Quebec	4,140,570	2,877,976
Halifax	3,464,845	1,946,987
Regina	2,576,147	1,630,360
Edmonton	2,112,753	1,861,483
London	1,801,716	1,499,128
St. John	1,692,540	1,635,733
Saskatoon	1,324,102	939,157
Victoria	1,083,591	1,630,100
Sherbrooke	770,171	392,457
Brantford	697,845	541,874
Fort William	556,917	427,996
Kitchener	551,626
Peterboro	514,563	371,898
Medicine Hat	508,995	312,961
Brandon	427,227	414,091

Totals

LOAN TO BRITAIN.

Another loan of \$75,000,000 was made to Great Britain on Friday by the United States, making the British total thus far \$400,000,000. A payment of \$75,000,000 also was made to Italy to-day as part of the \$100,000,000 loan announced some time ago. The Italian Government already had received \$25,000,000 of the loan.

The Kaiser was taking the ferry for St. Helena, surrounded by his entire staff, Private Schmidt. Seating himself on the deck, he took from his pocket the latest edition of the Frankfurter Zeitung, and a smile of satisfaction overspread his features as he glanced at the headline: "Germany Wins the War."

∴ THE ∴
Molson's Bank

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

Head Office - Montreal

98 Branches
Scattered
Throughout
Canada

Edward C. Pratt, - General Manager

THE
Royal Bank of Canada
Incorporated 1869

Capital Authorized - \$25,000,000
Capital Paid up - \$12,900,000
Reserve Funds - \$14,300,000
Total Assets - \$270,000,000

HEAD OFFICE: MONTREAL

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

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

LONDON, Eng. NEW YORK
Princes Street, E. 2. Cor. William and Cedar Streets.

SAVINGS DEPARTMENTS at all Branches

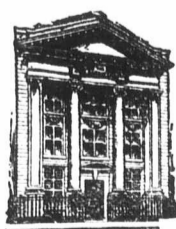
THE
**Dominion Savings
AND
Investment Society**

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

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

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

Home Bank of Canada



Head Office
TORONTO

BRANCHES
AND CONNECTIONS
THROUGHOUT CANADA.
MONTREAL OFFICES:
Transportation Building,
St. James Street.

Hochelaga Branch,
Cor. Cuvillier and Ontario
Streets.
1318 Wellington Street,
Verdun.

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

Britain's Wool Supply Under Control

The Situation Grave in Spite of Most Drastic Regulations Affecting
Distribution for Army Requirements

By E. S. BATES,
Editor Canadian Textile Journal.

The seriousness of the wool situation, and the necessity for the more drastic curtailment of consumption of woollen fabrics has scarcely been brought home to the Canadian public. Of course, everyone is familiar with the great and insistent demand for woollen fabrics for military clothing, but outside those actually engaged in the manufacture and sale of woollen fabrics, few realize just what this demand has meant and the conditions it has produced. A few facts may enlighten those not familiar with the situation.

Military clothing is made from the best quality wool staple, with only a small admixture of wool-stock and cotton. This compares with the clothing worn by the average civilian in normal times, which is rarely more than 50 per cent wool staple, the remainder being cotton, as in the case of shirts and underwear, and cotton-wool or wool-shoddy mixtures. In addition, the soldier on active service wears out three complete uniforms a year, compared with an average of one and a half a year in civil life. The soldiers' uniforms are worn out to a greater extent than the civilians', much of them is destroyed, and therefore, is not available to be reworked into wool-stock and shoddy. Even in normal times, not one-tenth of the woollen consumed are pure wool staple, so that when over 15 million men are known to have been wearing pure-wool clothing for the past three years, and wearing out twice as much as in civil life, the extraordinary demand can be realized.

The British authorities realized these conditions shortly after the war started. In 1914, the exportation of wool from the United Kingdom was restricted, by prohibiting export business except under license. Since then, the wool supply has received constant attention. First, the wool clip of the United Kingdom was taken over by the authorities. Then restrictions were placed against the exportation of Australasian wools except to Britain and her Allies, and finally the entire wool supply of Australia and New Zealand was purchased by the British Government. During this time, the control had spread over large sections of the woollen and worsted industry in the United Kingdom. To-day the British authorities absolutely control the sale of every pound of wool produced in the United Kingdom, Australia and New Zealand, as well as the output of every woollen and worsted factory in the United Kingdom.

These steps have been deemed necessary in order to conserve the wool supply and prevent speculation. But in spite of all possible regulation, a leading wool authority of Bradford, Eng., terms the present situation as "grave." A true appreciation of the seriousness of the situation is obtained from the following orders issued last month to the wool trade by the Army Council, under Defence of the Realm Regulation:

April 5th, 1917:

(1) No person shall sell raw wool grown or to be grown on sheep in Great Britain, Ireland and the Isle of Man during the season of 1917, including fleece wool and skin wool, but not including daggings, locks, brokes and fallen wool, otherwise than to persons authorized by or on behalf of the Director of Army Contracts.

(2) No person shall make or take delivery of or

payment for any wool of the description aforesaid otherwise than in accordance with the provisions of this order, whether in pursuance of any contract entered into prior to the date hereof or otherwise.

(3) All persons having in their custody or control any stocks of wool of the description aforesaid are hereby required to sell such wool to any persons authorized by or on behalf of the Director of Army Contracts as may be required by him or on his behalf, and to make deliveries to such persons in such quantities and at such times and places as may be specified by him or on his behalf.

(4) No person shall mix or wind in any fleeces of the description aforesaid any brokes or dead wool, locks, daggings or other matter whatsoever.

April 19th, 1917:

No person shall from the date hereof (April 19th) buy or sell or offer to buy or sell any raw wool, or tops, or noils, made therefrom, except under permit issued by or on behalf of the Director of Army Contracts.

This Order has been issued on the recommendation of the Central Wool Advisory Committee, and is intended as a temporary measure, which will remain in force for at least a fortnight, in order to give the Advisory Committee time for considering the whole question of wool supplies in the light of the census of stocks which is now being tabulated, and their distribution. Permits will only be issued in exceptional cases.

The War Office Wool Section made the following announcement:

The Central Wool Advisory Committee has decided that no wool or tops should be issued by the Department save in special circumstances until after the end of May. The applications already received and acknowledged will consequently be held in abeyance. Further applications can be received and will in due course be referred to the Priority Committees appointed to recommend the equitable allocation of such supplies as may from time to time be available.

The whole wool position has been investigated by the Central Wool Advisory Committee, which under date of April 21st, made the following recommendations:

1. The present wool position and the heavy military needs make it necessary that steps should at once be taken to accumulate in this country a considerable reserve of wool.

2. In order to achieve this object and to maintain the export trade so far as possible drastic curtailment of production for home consumption is essential.

3. Manufacturers and spinners should be rationed in wool and tops by means of the priority scheme already worked out in consultation with the War Office and the Board of Trade by the committee of manufacturers and merchants appointed by the Army Council.

4. Manufacturers should be urged to economize in the use of wool by using substituted materials for the civil trade to the greatest possible extent.

5. If it appeared that manufacturers, merchants, retailers, or other traders attempted to exploit the curtailment of supplies for home consumption by in-

ESTABLISHED 1873.

**STANDARD BANK
OF CANADA**

Statement of Affairs, Condensed from Government Statement
31st January, 1917.

RESOURCES		LIABILITIES	
Cash on Hand	\$10,762,524.47	Capital Stock	\$ 3,333,242.14
Due by Banks	2,574,239.34	Reserve Fund and Undivided Profits	4,486,835.77
Govt. and Other Bonds	7,244,943.58	Notes in Circulation	4,546,513.00
Loans on Call and Short Date	1,656,956.71	Deposits	46,292,564.57
Time Loans and Discounts	36,064,884.76	Due to Other Banks	1,026,074.06
Deposit with Govt. for Circulation	150,000.00	Dividend Payable 1st February, 1917	106,399.61
Bank Premises (freehold) - Acceptances under Letters of Credit per Contra	1,229,935.98	Acceptances per Contra	58,645.84
Other Assets	58,645.84		
	108,144.91		
	\$59,850,274.99		\$59,850,274.99

creasing the prices of materials in stock, drastic steps should be at once taken by the Government to deal with the situation.

6. No distribution of Government wool or tops and no auction of free wools should be held till after the end of May, and all further sales of wool or tops should be prohibited until further notice; subject to cases of special hardship, in which machinery engaged on essential production might be stopped by the stoppage of supplies of raw material being dealt with by the priority committee.

7. Manufacturers and spinners should be warned that stocks of wool and tops in their hands should be utilized primarily for Government or, if that is impossible, for export or other approved purposes, and should understand that the use made of their present stocks would be taken into account in the allocation of wool or tops required by them to keep their machinery running in later months.

Under date of April 14th the Army Council ordered that work in woolen and worsted factories for national purposes or for export was to be given priority over all others. Class A, that is work of national importance must have priority over Class B, that is export business, and included in Class A, are orders from all Allied Governments. The mills were ordered to furnish returns as to the nature and amount of work done.

The Government has taken over full control of the entire situation. No wool or yarns are allowed to be exported even to Canada except for military requirements, and in such case the number of the Government contract for which the goods are required must accompany the application before it will be considered. The Army Council last month commandeered all stocks of socks suitable for military requirements. The control of manilla hemp, flax, hemp and jute goods was also further extended. These restrictions have borne heavily on the woolen and worsted trade of the United Kingdom, and naturally there is much opposition. But the trade is told that civilian needs must be put entirely to one side, in consideration of the gigantic needs of Great Britain and her Allies in fighting the Central Powers. The Army Council is allotting the wool supplies in proportion to the military and export business held by the mills, and no mills are allowed to carry surplus stocks. It may be taken for granted that the Advisory Committee of the Army Council is in possession of facts relative to the wool situation not known to the average wool man, and the drastic steps noted above, taken to conserve the wool supply for military needs, must emphasize the gravity of the situation.

Crossbred wools have been principally affected so far. These wools are used almost exclusively for khaki manufacture. Merino wools are controlled to a lesser extent, and are being used largely for export business. Some of these wools are being permitted export to the United States and Canada direct from Australia, but English trade advices state that these also will shortly be brought under absolute Government control. It is suggested that merinos may soon be used extensively for khaki purposes in order to help out the supply of crossbred wools.

This situation is sure to have a big effect on the woolen mills of this country, which ordinarily use about 6 or 7 million pounds of foreign wools. The domestic clip is now coming on the market and precaution has been taken to find a market in Canada for as much of the clip as possible. This will help out to some extent, but the prices at which domestic wools are now selling will make them very expensive raw material, especially those long wools that are better suited for combing purposes than otherwise. The Canadian Wool Commission has been appointed as an advisory committee to the Department of Trade and Commerce to ascertain the needs of the Canadian mills, and assist in securing necessary supplies through the British Army Council. To what extent it will be successful remains to be seen. In any event, higher prices and increasing difficulties during the next few months may be anticipated.

THE MERCHANTS' BANK.

The first year's operations of the present general manager of the Merchants' Bank of Canada are subject for congratulations. In the year ended April 30th, the bank earned \$1,120,000, as compared with \$950,000 the previous year, and \$995,000 in 1915. Total assets now amount to \$121,130,558, as compared with \$96,361,363 the previous year, an increase of \$24,769,195. Of the above total liquid assets amount to \$52,041,624, equal to 48.87 per cent of the liabilities to the public. Actual cash holdings amount to \$15,917,228, or 15 per cent of the liabilities to the public.

Canada's Trade Balance for First Four Months of 1917

Imports Exceed Exports by \$25,394,166.

The total trade for the four months of the year, leaving aside the gold figures and exports of foreign produce, was 683 millions against 499 millions in the corresponding period of 1916, and only 267 millions in the corresponding period of 1915, increases of approximately 40 per cent and 155 per cent, respectively. But of the gain of 184 millions, as compared with 1916, 115 millions fell under the head of imports against a 69-million gain in exports.

So while Canada in the first four months of 1917 built up a favorable trade balance of 71 millions, the favorable balance for the first four months of 1917 is down to 25 millions. This is still by long odds the most favorable showing for the period with the exception of 1916, comparing with adverse trade balances of as much as 122 millions in 1913. None the less it is a retrograde movement at a time when high prices for our agricultural output and huge orders for war supplies are being counted on to fortify the country's financial standing.

National revenues naturally continue buoyant under the large expansion in imports, customs' collections in April, for instance, being \$13,875,485, against \$9,797,365 in April, 1916. But our interest obligations have increased with heavy outlays for war expenditure and the main dependence for keeping the position steady, while the inflow of new capital for development is checked, rests in establishing and holding a favorable trade balance—in selling abroad a good deal more than we buy.

Comparisons of the trade record from January to April in each of the last six years follow:

Months.	Exports.	Imports.	Balance.
1917	\$354,891,404	\$329,497,238	+ \$25,394,166
1916	285,168,625	214,008,068	+ 71,160,557
1915	131,286,747	136,045,451	- 4,758,704
1914	90,225,886	169,510,102	- 79,284,216
1913	99,119,323	221,795,966	- 122,676,643
1912	77,005,714	184,504,469	- 107,498,755

+Favorable balance; —Adverse balance.

But for the sharp falling off in April exports the favorable balance for the four months of the current year would have made a showing approximately as good as that of a year ago. Exports and imports for the first four months of the year compare as follows:

1917.	Exports.	Imports.	Balance.
January	\$99,106,259	\$72,323,074	+ \$26,783,185
February	68,224,383	68,030,469	+ 193,914
March	122,415,313	102,335,886	+ 20,079,427
April	65,145,449	86,807,809	- 21,662,360

Total \$354,891,404 \$329,497,238 + \$25,394,166

MAY SHOULD BE BIG MONTH.

It may safely be presumed that the sharp decrease in exports in April, as compared with March—they were only little more than half the March total—was due to shipping difficulties. The opening of navigation and the outrush of grain for Europe should result in very substantial gains in May export figures, at least under the head of agricultural exports. The grain is badly needed in Europe and ships must be found to carry it. The decline in the premium on New York funds in the past few days has already been noted as an indication that wheat is moving again in large volume.

April figures have never been particularly good in the matter of exports. Still, last year and also in 1915 Canada managed to show a small excess of exports over imports. Comparisons for six years follow:

April	Exports.	Imports.	Balance
1917	\$65,145,000	\$86,807,000	- \$21,662,000
1916	55,092,000	50,147,000	+ 4,944,000
1915	28,691,000	28,391,640	+ 300,000
1914	17,753,000	36,937,000	- 19,184,000
1913	22,016,000	48,488,000	- 26,472,000
1912	13,676,000	45,607,000	- 31,931,000

The April exports in their usual classification compare with those of April, 1916, and of March, 1917, as follows:

	April, 1917.	April, 1916.	March, 1917.
Mine	\$3,889,510	\$3,690,744	\$9,980,711
Fisheries	648,336	829,515	2,373,258
Forest	2,461,312	2,287,939	3,614,385
Animals	5,514,691	5,112,105	14,809,941
Manufactures	40,859,646	21,573,078	69,239,486
Agricultural	11,443,161	21,305,977	21,962,252
Miscellaneous	328,793	292,677	435,280
Total	\$65,145,449	\$55,092,035	\$122,415,313

THE DOMINION BANK

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

C. A. BOGERT, General Manager

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

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

(ESTABLISHED IN 1836)
 Incorporated by Royal Charter in 1840.

— THE —
BANK OF BRITISH NORTH AMERICA

PAID-UP CAPITAL \$4,866,666.66
 RESERVE FUND \$3,017,333.33

Statement to the Dominion Government (Condensed) 30th April, 1917.

LIABILITIES TO THE PUBLIC.

Notes in Circulation \$ 5,236,467
 Deposits 54,763,089
 Other Liabilities 947,119

ASSETS.

Cash on Hand and in Banks . . . \$10,540,110
 Deposit with Government o/a Note Circulation 1,385,694
 Government, Municipal and other securities 13,004,476
 Call and Short Loans 7,716,459
 Current Loans and Discounts and other Assets 35,882,807
 Bank Premises 2,309,564

\$70,839,110

ESTABLISHED 1872

BANK OF HAMILTON

Head Office: HAMILTON

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

Business Founded 1795

AMERICAN BANK NOTE COMPANY

(Incorporated by Act of the Parliament of Canada)
 ENGRAVERS AND PRINTERS

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

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

UNION ASSURANCE SOCIETY LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1711

Canada Branch, Montreal:
T. L. MORRISEY, RESIDENT MANAGER.
North-West Branch, Winnipeg:
THOS. BRUCE, BRANCH MANAGER.
AGENCIES THROUGHOUT THE DOMINION

YOU LOOK FOR SECURITY

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

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

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

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

NORTH AMERICAN LIFE ASSURANCE COMPANY

HEAD OFFICE - - - - - TORONTO, CAN.

Founded in 1805

THE LAW UNION AND ROCK INSURANCE CO. LIMITED

OF LONDON

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

Canada Head Office:

57 Beaver Hall Hill, MONTREAL
Agents wanted in unrepresented towns in Canada
J. E. E. DICKSON, Canadian Manager.
W. D. AIKEN, Superintendent Accident Dept.

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Field Men

GOOD OPPORTUNITY FOR MEN TO BUILD UP A PERMANENT CONNECTION

WE PARTICULARLY DESIRE REPRESENTATIVES FOR CITY OF MONTREAL

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WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine and Inland Marine Insurance.

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

Losses paid since organization, over - - - - - 63,000,000.00

HEAD OFFICE - - - - - TORONTO, ONT.

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

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

The Independent Order of Foresters

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

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

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

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

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

How U. S. Trade With Canada is Increasing "A Little Nonsense Now and Then"

Imports From United States Year Ended March 31st, 1917, Were More Than Double Those From All Countries in 1916.

American factories are producing more goods for Canada's consumption than at any time during the past twenty years but the Dominion's exports to the United States are at a comparatively lower ebb than during the same period.

During the year ended March 31, Canada's exports to the United States were valued at \$278,836,456, while the imports from the United States amounted to \$627,169,592. Canada imported coin and bullion to the value of \$12,310,095 from the United States, and during the same period exported coin and bullion valued at \$196,278,994. These latter figures are mostly responsible for the large exports of gold to the United States from Great Britain, through Canada.

Practically every known commodity is on the United States-Canada import list, and the quantities imported into Canada during 1916-17, as against 1915-16, are, in the main, enormously increased.

In 1915-16 the total imports of breadstuffs were valued at \$12,044,116. During the period of the fiscal year just closed over \$15,000,000 worth was imported, and of this amount \$12,755,805 was imported from the United States, a larger amount than the whole of the Canadian 1915-16 importations. The figures governing the coal importations demonstrate the same condition of affairs. Up to March 31, 1916, \$31,151,600 worth of coal had been imported, but during the past year Canadian consumers used up \$42,105,325 worth of coal and coke, of which \$42,105,325 represent the value of the importations of this commodity into Canada from the United States.

Comparative figures on imports for the two periods, showing also imports from the United States during the latter period into Canada, follow:

TWELVE MONTHS ENDED MARCH 1ST.

	1916.	1917.	From U.S.
Articles Imported			
Breadstuffs	\$ 12,044,116	\$ 15,026,989	\$ 12,755,805
Carrriages, carts, etc.	10,530,123	16,821,650	16,719,354
Coal, coke, etc.	31,151,600	42,134,280	42,105,325
Drugs, dyes, etc.	16,045,409	27,131,370	20,801,020
Fruits	14,056,441	18,402,648	15,351,127
Metals, min. etc.	98,062,824	158,351,190	149,558,697
Iron & steel, mfrs. of	72,580,521	120,730,386	114,451,027
Oils	12,503,928	21,300,789	19,071,538
Provisions	10,293,461	25,502,163	24,894,186
Wood and mfrs. of.	8,477,118	11,351,147	10,754,280

Total .. . \$285,745,541 \$456,752,612 \$426,862,359

Against these imports is a list of exports which amplify the statement that Canadians are becoming increasingly larger buyers from the United States, and relatively smaller exporters. Comparative figures follow:

TWELVE MONTHS ENDED MARCH 1ST.

	1916.	1917.	To U.S.
Articles Exported.			
Animals, (living)	\$18,109,534	\$ 12,964,786	\$ 9,908,673
Cattle	12,789,705	7,860,684	7,725,988
Wheat	169,458,143	245,098,539	20,529,979
Fish	21,993,592	24,091,552	4,865,096
Cod, etc., dry salted	5,313,010	5,729,388	1,690,454
Lobsters, canned	2,703,610	3,673,749	956,689
Salmon	6,401,405	6,298,557	32,146
Fruits	3,141,762	2,788,751	199,435
Apples, fresh	1,880,630	2,215,134	27,800
Furs, skins etc.	4,774,871	5,733,041	4,625,791
Hay	5,211,404	4,882,676	165,148
Hides and skins	6,625,001	7,193,563	7,172,528
Metals, minerals, etc.	118,506,247	145,617,298	78,078,255
Aluminium in bars			
blocks, etc.	3,640,476	5,588,489	1,474,344
Asbestos	2,880,575	3,978,932	2,941,804
Copper	13,529,807	22,171,727	21,061,104
Gold-bearing quartz, dust, etc.	16,655,366	19,509,509	19,314,075
Iron & steel, mfrs. of	51,643,315	53,502,175	8,011,942
Nickel	7,862,125	8,375,258	6,454,312
Silver	14,126,480	15,711,350	4,842,574
Paper	19,502,728	24,632,034	20,866,237
Potatoes	464,070	2,427,053	1,104,721
Provisions	65,405,731	90,173,962	1,704,511
Butter	1,015,757	2,493,849	78,546

Pat (to Mike on the roof)—"Don't come down the ladder at the northeast corner, I took it away."

"Here's something queer," said the dentist: "You say this tooth has never been worked on before, but I find small flakes of gold on my instrument."
"I think you have struck my back collar button," replied the victim.

In a Canadian camp somewhere in England a second George Washington has been found. He, in company with several others, had been granted four days' leave, and, as usual, wired for extension. But no hackneyed excuse was his. In fact, it was so original that it has been framed and now hangs in a prominent spot in the battalion orderly room. It ran as follows: "Nobody dead, nobody ill; still going strong, having a good time, and got plenty of money. Please grant extension." And he got it!

It wasn't often that the local lawyer went to church, but on one occasion he was dragged there by his wife.

She was delayed in the porch by a friend and he entered first.

She arrived just as the curate was reading the opening prayer about the wicked man.

Hurriedly she caught up her prayerbook.

"Where are they?" she asked her spouse.

"Er—I don't quite know," he answered, fumbling with the unfamiliar book; "but I don't think they've opened the case for the defence yet!"

Over the garden fence the conversation had suddenly turned acrimonious, says Tit-Bits. "An' if yore boy 'Erbert ties any more cans on our pore dog's tail," was Mrs. Moggins' stern ultimatum. "'e'll 'ear about it, that's all! Oh, an' per'aps you've come wiv that saucepan wot you borrowed last Monday." "'Erbert," asked Mrs. Grubb, shrilly, "wot 'ave you bin doin' to Mrs. Moggins's dog?" "'Nothin', ma," replied the small boy, unblushingly. "There!" said his mother, triumphantly. "An' you returned 'er saucepan yesterday, didn't you, dearie?" "Sent it back by 'er dog," said Herbert, calmly.

A Quaker had gotten himself into trouble with the authorities and the sheriff called to escort him to the lockup, relates Harper's. "Is your husband in?" he inquired of the good wife who came to the door. "My husband will see thee," she replied. "Come in." The sheriff entered, was bidden to make himself at home, and was hospitably entertained for half an hour, but no husband appeared. At last the sheriff grew impatient. "Look here," said he. "I thought you said your husband would see me." "He has seen thee," was the calm reply, "but he did not like thy looks and has gone another way."

"Bobbie, your face wants washing. Did you look at it in the glass this morning?" "No, mother, but it seemed all right when I felt it."

Breaking up a West Virginia household is not such a great task if we may judge from this advertisement in the Lane Recorder: For sale—I am breaking up housekeeping and will sell one grindstone, an incubator, three scythes and the usual equipment.

The London Chronicle shows what a comma will do. It gives a new version of President Wilson's sentence, "America is too proud to fight." The Chronicle writes the sentence like this: "America is, too, proud to fight." The two commas make a big difference.

CONGRESS TOO TALKATIVE.

(Christian Science Monitor).

A member of President Wilson's Cabinet is credited with saying that the Government is making plans for a war lasting three years. The duration of the war, so far as the United States is concerned, is likely to depend very largely upon when it begins. It seems doubtful, at times, whether Congress is cognizant of this somewhat important fact.

Cheese	26,218,190	36,279,801	23,419
Meats, bacon & hams	25,324,670	40,451,646	40,565
Seeds	3,397,695	11,506,754	10,748,354
Settlers' effects	4,182,086	4,355,375	3,979,953
Wood and Mfrs. of.	62,556,755	75,673,164	52,630,104
Total	\$695,311,140	\$890,938,496	\$315,304,547

NEW RECORDS

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

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

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

AN IDEAL INCOME

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

Union Mutual Life Insurance Company,
Portland, Maine

on its

MONTHLY INCOME PLAN

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

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

WALTER I. JOSEPH, Manager
Province of Quebec and Eastern Ontario.
Suite 502 MCGILL BLDG., MONTREAL, QUE.

Commercial Union Assurance Co. LIMITED OF LONDON, ENG.

The largest general Insurance Company in the world

Capital Fully Subscribed	\$14,750,000
" Paid Up	1,475,000
Life Fund and Special Trust Funds....	74,591,540
Total Annual Income Exceeds	47,250,000
" Funds Exceed	142,000,000
" Fire Losses Paid.. ..	183,366,690
Deposits with Dominion Government ...	1,225,467
(As at 31st December, 1915.)	

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

Applications for Agencies solicited in unrepresented districts.
J. MCGREGOR — Mgr. Canadian Branch
W. S. JOPLING — Asst Manager

A Free Course in "Salesmanship"

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

A GOOD LIVING WAGE

A PROFITABLE FUTURE

A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office, Toronto.



INSURANCE MEN AND LIBERTY LOAN.

Forces of big life insurance companies are to be organized to push Liberty Loan. Men will ring every doorbell in New York City. Sunday, June 10, last Sunday before closing of the loan, will be Liberty Loan Day in churches of the country.

APRIL FIRE LOSSES.

The losses by fire in the United States and Canada during April, as compiled by the New York Journal of Commerce, aggregated \$18,597,225, as compared with \$12,681,050 for April, 1916. The losses for the first 4 months of 1917 reach a total of \$104,139,655, as compared with \$97,555,420 for the first 4 months of 1916.

HOLDS PROPERTY OWNER RESPONSIBLE FOR FIRE.

A bill has been introduced in the New Jersey Legislature to make property owners on whose premises a fire starts through carelessness liable for damage done to adjacent property and also for the cost of extinguishing the fire. The spread of the fire to adjoining property is made prima facie evidence of carelessness and the burden of proof is placed on the property owner.

FIRES AND H. C. OF L.

If America were to reduce her fire losses to the fractional figures of most other countries it can hardly be doubted that the cost of living would be materially lowered. It must never be forgotten that 21.4 per cent of this annual bonfire is due to strictly preventable causes, 37.9 per cent to those which are partly preventable, and that the remaining 40.7 per cent from "unknown" causes is probably largely preventable.—National Board.

CANADA'S FIRE BUSINESS.

Fire insurance companies doing business in Canada had a net amount at risk at the end of 1916 totaling \$3,714,888,865, an increase of \$183,268,063 over the preceding returns. This total is divided among the companies as follows:

	1915.	1916.
British companies	\$1,828,316,532	\$1,959,767,538
United States and other companies	1,020,510,788	1,091,363,198
Canadian companies	682,793,482	663,758,129
	\$3,531,620,802	\$3,714,888,865

IT PAYS TO INVESTIGATE.

How the investigation of incendiary fires in Kansas works is shown by a table compiled by State Fire Marshal L. T. Hussey. Last year Mr. Hussey secured ten convictions for arson.

	Number of Incendiary Fires.	Loss.
1913	172	\$260,148
1914	140	186,405
1915	130	214,654
1916	126	144,583
	—Insurance Monitor.	

GETTING THE JUDGE ON A BET.

Success is assured only when brain and not chance makes the basis. A problem thoroughly studied and ably surrounded with information is often half solved before it is tackled. A certain northwestern insurance company always assigns its new men to its hardest subjects. Where all other agents have failed, the Cub is sent. This is considered the best method of supplying nuts on which the Cub agents can cut their insurance teeth.

This insurance company therefore told its new agent to call on Judge — and write him for insurance. The judge was a particularly tough subject; disapproved of life insurance, and generally abused any agent who tried to write him.

The Cub made a careful reconnaissance and discovered one weakness. The judge was always ready to bet on anything at any time.

Then the Cub sent in his name and the secretary came to find out what the young man wanted.

"Want to make a bet."
"Come in," was the prompt response from the inner office.

"Judge," said the Cub, "I want to bet you \$10,000 against \$240 that you are living a year from to-day."

"You're on," shot back the judge.
"Please sign on this line."
And the judge signed.—Wall Street Journal.

News of the Week

TUESDAY, MAY 22.

Hindenburg line, from the East of Bullecourt to Arras, now held by the British.

British aircraft bring down fifteen enemy airplanes on Western front.

French stormed and carried strong German positions in Champagne region.

Italians extend their positions north of Gorizia.

An Italian mission to the United States arrived at Halifax.

The delegates to the "Win-the-War" Convention meet at Quebec.

Germany expressed regret for the sinking of Swedish grain-laden ships.

Deaf and dumb men are being used in the French munitions factories.

Lloyd George lays plan before House of Commons for solving Irish question.

Fire destroys \$2,000,000 worth of property at Atlanta, Ga.

WEDNESDAY, MAY 23.

Canadians capture territory southwest of Lens. Rheims again heavily bombarded by the enemy.

A move was made in Paris to prevent the hoarding of coal.

Strikes have tied up the munitions plants in Budapest since May 1st.

The President of Brazil asked Congress for a revocation of the neutrality decree.

THURSDAY, MAY 24.

German infantry attack in the Champagne broken by French guns.

Switzerland has discovered nest of Austro-German spies in Geneva.

A big allied purchasing combine is result of conferences at Washington.

China is moving against Germany.

An order in Council has been passed preventing any man of military age from leaving Canada except on production of a passport.

Several leading German radicals will be tried on a charge of high treason.

An Italian mission has arrived in the American capital.

Marshal Joffre and Rene Viviani arrived safely in France from the United States.

The British franchise reform bill passed its second reading in the Houses of Commons.

FRIDAY, MAY 25.

Reported that the British transport Transylvania with troops aboard torpedoed, on May 4th in the Mediterranean.

Italians have great victory over Austrians on the Carso and take 9,000 prisoners.

A considerable number of light craft, sent by Japan to aid Allies have reached Mediterranean.

The French liner Sontay sunk with loss of 44 lives.

German airships raid eastern counties of England on Wednesday night.

SATURDAY, MAY 26.

76 persons were killed and 174 injured by German airplane raid in a town on the Southeast coast of England.

The nucleus of the U. S. first contingent of forty thousand men is on the French front.

Lloyd George declares that the submarine menace is well in hand.

Italians continue to make headway on the Julian front.

Speculation in foodstuffs is prohibited in Great Britain.

A loan of seventy-five million dollars has been made to Great Britain by the U. S.

The Cunard steamer Feltria was sunk, and 53 of the crew are missing.

Four Swedish ships were destroyed, and traffic was suspended in the Baltic.

Meat cards are soon to be issued in France.

Mr. Balfour visits Toronto.

Brazil revokes neutrality in the war and makes arrangements to police Atlantic.

MONDAY, MAY 28.

Rt. Hon. Mr. A. J. Balfour speaks in Ottawa to-day.

Berlin semi-officially announces intention of sinking all hospital ships in the entire "barred zone".

Two Spanish steamers sunk, 48 passengers and 85 crew perishing.

Italians capture additional position from the Austrians.

Monitors from Dardanelles storm Austrian positions while troops advance.

Furious tornado kills 100 persons in Mattoon, Ill.

Comments on Current Commerce

By E. S. BATES

THE NEWSPRINT PRICE INVESTIGATION.

The investigation conducted by Commissioner R. A. Pringle into the newsprint price situation in Canada has resulted in an extension of time in which the 2½¢ per pound rate will be in effect. This will hold good for some 2 or 3 months, dating from June 1st. The sittings held in Ottawa last week produced a number of considerations, in which the public should be interested. While Commissioner Pringle has apparently submitted to the demands of newspaper publishers, and agrees that the price of 2½¢ allows newspaper manufacturers adequate margin for profit, he was also impressed with the evidence produced by the manufacturers in connection with the failure of publishers to curtail consumption of newsprint or to meet their increased expenses by what appears to be the correct method, that is, charging more for their product. This situation must receive consideration. Newspapers in their present form are printing many pages of material that can be of little interest to readers. Moreover, excepting in the case of the smaller country paper publishers the newspapers have obtained a big increase in their advertising revenue during the past two years, so that it appears only fair that their businesses should be investigated on the same basis as that of paper manufacturers before the Government submits to any arbitrary ruling on the question of price of newsprint. The newspapers wield a mighty influence at Ottawa, but their present agitation of price control is entirely selfish, and is not prompted by any zealous consideration of the public weal. The curtailment of the present prosperity of the paper industry means much in the future industrial development of this country. The increased earnings of the past year have placed the industry on a very sound basis. The conditions have been recognized as abnormal, and in large part only temporary. The paper concerns have used their current earnings for consolidating their business, and expanding their efforts in order to meet the keen competition which will surely follow the cessation of hostilities. It is expedient that the Government should give the whole matter minute attention before granting the publishers' requests. Perhaps, Commissioner Pringle will find much food for thought in his investigation of the publishing business, which he announced he would undertake this week.

FURTHER WOOL RESTRICTIONS.—Pursuant to what appears in another column relative to the wool situation, later mail from Great Britain advises that, under date of May 10th, the Army Council ordered that, "No person shall after the date hereof sell or offer to sell any crossbred or merino wool in stock in the United Kingdom at prices exceeding the basis of prices set out on the schedule hereto annexed." By this order, the British authorities have taken over all stock of crossbred and merino wools in the United Kingdom, excepting that held by users for the purposes of manufacture by the holder, in which case special license must be obtained from the Army Council. On the same date, the prohibition was removed on dealings in alpaca, camel hair, cashmere, goat hair and crossbred wools. The official explanation states that:

"The effect of the two Army Council orders dated May 9th is first to remove the prohibition on dealings in alpaca, camel hair, cashmere, goat hair, and crossbred wools. As regards merino wools, all stocks that have been offered to the Department and released under permit may now be bought and sold. All restrictions on the purchase and sale of wool outside of the United Kingdom are removed, but any stocks of crossbred or merino wool which may be imported can only be sold under license once they have arrived in the United Kingdom. Crossbred tops will continue to be taken over by the Department as they are produced direct from the topmaker. Under the Army Council order of April 27th the prohibition of invoicing and delivery suspends private contract; until such time as the topmaker may be able to make delivery, but it is made clear that for the purposes of the order tops invoiced or paid for on or before April 27th may be regarded as having been delivered on or before that date.

Sales of merino tops for other than Government purposes are suspended until further notice, and topmakers are not permitted to sell crossbred or merino wool which they may not require for making into tops. All stocks of crossbred and merino wool not

held by topmakers, spinners, or manufacturers are taken over at the fixed prices set out in the above scheme.

"The Department have decided to accept the recommendation of the Central Wool Advisory Committee that the consumption of crossbred wool or tops in spinners and manufacturers' hands for other than Government purposes should be prohibited as from May 31st, 1917, except under restrictions to be laid down after consultation with the joint priority committee of spinners and manufacturers. The exact restrictions to be enforced are now being considered by the district committees, and will be embodied in an Army Council order after full discussion at the first meeting of the joint priority committee next week. The consumption of merino wool and tops will also have to be restricted, but the date from which the restriction will take effect has yet to be determined."

The schedule of civilian prices as set down by the above order, is as follows:

Clean scoured, based on 16 per cent. regain, in pence per lb.

	Superior fleece, d.	Super pieces & bellies, d.	Average fleece, d.	Average pieces & bellies, d.	Inferior fleece, d.	Inferior pieces & bellies, d.
80's	70	68	67	65	64	62
70's warp	68	66	65	63	62	60
70's	67	65	64	62	61	59
64's warp	67	65	64	62	61	59
64's	66	64	63	61	60	58
60's super	64	62	61	59	58	56
60's	63	61	60	58	57	55
58's	56	53	53	51	50	49
56's	50	48	48	46	46	44
50's	44	42	42	40	40	38
48's	39	36	37	34	35	32
46's	35	34	33	32	31	30
44's	31	30	29	28	27	26
50's prepared	39	38	37	36	35	34
48's	34	33	32	31	30	29
44's	32	31	30	29	28	27
40's	31	30	29	28	27	26
36's	30	29	28	27	26	25

In these prices no provision is made for very superior or very inferior wool or for locks and crutchings.

LABOR DEPT. PRICE INDEX.—The cost of living as reflected by the index published by the Department of Labor for the past month shows a considerable increase. The principal increases were in grain, live stock, meats, vegetables, textiles, metals, fuel and coal oil, building materials, and some chemicals, the only decreases shown were in dairy products, and hides on which prices were weaker than during the previous month. In retail prices the cost of a list of twenty-nine staple foods for a family of five rose to \$19.70, as compared with \$10.46 for February, \$8.36 for March, 1916, and \$7.88 for the same month in 1915, and \$7.68 in 1914. Meats and potatoes showed the chief increases, while eggs were considerably lower and dairy butter declined slightly. Anthracite coal was lower, averaging \$10.66, as compared with \$10.99 in February and \$8.56 in March last year. In wholesale prices the department's index number rose to 220.6, as compared with 217.3 for February and 176.4 for March last year, 145.4 in the same month in 1915, 137.0 in 1914 and 136.0 in 1913.

HOP ACREAGE REDUCED.—In an effort to conserve the grain supply of the United Kingdom, the British Government has ordered that the acreage to be devoted to the growing of hops this year in the United Kingdom is to be reduced to half the acreage of 1914. This means a reduction of approximately 18,500 acres. For some months, brewing has been prohibited in Great Britain, the beer supply being provided from stocks held by brewers. It is said that this supply is diminishing rapidly, but no indication has yet been given as to whether brewers will be allowed to continue their activities when the present supply is exhausted. The order reducing the acreage to be devoted to hops indicates that the Government means to eliminate all unnecessary consumption of grain, and this acreage will be devoted to the growing of other necessary food products. The Englishman is making great sacrifices in the effort to win the war, but the elimination of this beverage is perhaps the last straw.

CANADIAN RAILS FOR FRANCE.—Some months ago it was announced that Canada would take up hundreds of miles of track to supply steel rails for the railroads on the Western front. Since then, little has been heard regarding this matter, but advices from Ottawa state that upwards of 210 miles of track have been torn up on the Grand Trunk Pacific and Canadian Northern, west of Edmonton, where roads run parallel. Government engineers have inspected these roads, and have so arranged that all the towns and mines will have adequate transportation facilities. The rails being sent to France are all from the National Transcontinental, these being specially requested, and for this reason the C.N.R. rails are being transferred to the N.T.R., whose rails are used to meet the requirements of the Allied army.

JAPANESE PROGRESS.—Prior to the war the annual importation of chemical products into Japan was valued at over \$50,000,000. During the past three years there has been a marked development in the Japanese chemical industry, and to-day Japan is nearly self-supporting in this regard. There are some products, such as soda ash, and caustic soda, which she will always have to import, but in most lines this important key industry has made wonderful strides. As an indication of the development, Japan is now making her own phosphorus for her great match industry from a raw material imported from the Southern Pacific Islands. She is also making her own carbonic acid, and has also placed the manufacture of dye stuffs on a solid foundation. Japanese progress is developing in other lines as well. She has captured millions of dollars worth of trade formerly held by Germany and Austria in South America, South Africa, and right here in Canada. Early in the war her industrial chiefs lost no time in appointing agents throughout this country. Such products as silks, hosiery, underwear, glassware, electrical apparatus, and bric-a-brac have been imported from Japan during the past two years and a half to a very large extent. Her cheap labor, and policy of encouraging export trade has much to do with this progress.

FINANCES OF NATIONS REFLECTED IN INTERNATIONAL EXCHANGE.

(Concluded from page 3).

So far we have discussed the matter of exchanges in countries now at war, and consequently doing an active business in drawing goods from other countries with a resultant adverse balance of trade. Great Britain is taking the lead in financing these importations into the allied countries, and payment is expected in pounds sterling, hence sterling exchange is pressing on the market everywhere, and consequently is at a discount in a varying degree. The one country that is exporting more than any other country to the allied nations is the country where sterling exchange is on a more favorable basis, due to the fact that every effort is being made to maintain it. These efforts comprise the remittance of gold, the sale of securities and negotiations of loans. Sterling exchange in France, as well as in Italy, is at a heavy premium. This is but natural and could have been ameliorated had these two countries parted with some of their gold which has been hoarded by the Bank of France, and also is being hoarded to a great extent by individuals. The case is somewhat different in Italy, where the banks hold very little gold. We now come to the neutral countries of Europe, and while these countries are not very large exporters, still, at the same time, they have a favorable balance of trade, and here sterling exchange is at a discount varying according to the degree that this balance is apparent.

Scandinavian countries owe their favorable balance of trade not to exports, in fact, they have nothing to export, but they are lending the service of their maritime fleet to the Allies at very high prices, consequently large sums are due on this account, and produces the same effect as if goods were exported. To a degree, the same can be said of Holland. Spain, however, owes her favorable balance of trade solely to exports. These countries, with the one exception perhaps of Holland, do not cut a very large figure in the sum total of their commercial transactions, hence a slight excess, over and above the customary position, produces the same result.

*Extract from advance sheets of "The Americas," published by the National City Bank of New York.

A LEAGUE OF NATIONS.

(Concluded from page 5).

derided because they did not prevent the war. They probably prevented other wars, which is something to their credit. But their chief value is now seen to be that they showed both how peace could not be guaranteed and how it could. They showed that some treaties would prove to be but scraps of paper. Not all, by any means. But for the case of the nation which refused to play the international game fairly they made it plain that force was necessary. They showed that a union of statesmen was not enough to guarantee the peace of the world, unless they had armies at their backs. So the need of a League of nations, armed against the traitor nation which refuses to keep the pact, is seen to be necessary.

Only by this means does it seem possible to win the war. Crushing Germany will not achieve the purpose which lies back of the armaments and military energies of the Allies. It is indeed a necessary first step, that any other ambitious military autocracy may be scared in its dream of world empire, and that the German mind may be chastened. If victory goes no farther than that, no matter how overwhelming it may be, there is nothing before the world but a continuance of nations bristling with arms which they are impoverishing themselves to produce, watching each other in dread and hate. Unless this war is the end of war its bloodshed and its triumphs alike will have gone for comparatively little. It seems open to the peoples to use this war as a means of purging themselves of the curse of the ages, and establishing human life on a new basis of co-operation and harmony.

The preliminaries would appear to be the restoration of the outraged peoples and as much redress as in the nature of the case is possible. Servia, Belgium, Poland must first have a recompense for their sufferings. That done, the programme of constructive peace may take the following course.

First, provision for the settlement of international disputes. Courts of justice and arbitration will require to be founded before which such differences may be brought. It will be a matter for discussion as to how far any nation in the League will have the right to secede from it. Each of the nations in the League will require to maintain a certain armed force, of a size to be agreed upon, which may be employed by the executive of the League in case of

any rebellion against its authority. Any treaties of a more private nature which traverse the ground covered by the League's rule will be forbidden.

Next, the matter of armaments. These, as suggested in the preceding paragraph, will be fixed by the League. They must not be less, or the police power of the League would suffer. They must not be more, or the purpose of the League might be threatened.

Third, the manufacture of arms for use in war might be taken out of the hands of private companies, thus getting rid of one of the powerful engines which urges on war. The preparation and fomentation of war would then mean no financial profit to anyone.

Fourth, the conduct of war as to the treatment of civilians, neutrals, and prisoners would require to be considered, and any violation of the humane safeguards prescribed listed as causes of stern punishment for the offender.

Fifth, would come the question of the smaller peoples; the weaker nations and the racial minorities in the larger. Their rights to their own languages, faiths and traditions would require to be affirmed.

Sixth, the world outside the League. "Spheres of influence" would need to be outlined, and methods of administration where the backward peoples are involved.

And, besides, the question of international commerce would have to be dealt with. It is impossible to overlook the element of economic struggle when one sets out to assure peace to the future. On what lines the mutual forbearances and co-operations of the rich and trading nations with each other and the rest of the world would be organized I do not feel competent even to guess. But I am quite sure that it is a subject which is vital to the success of the League.

This is a most timely concern. We should beware of any attitude of mind which would postpone the problems of settlement till after the war. It would seem that all our energies should be directed to winning the war, and that these later troubles might in the meantime take thought for themselves. A much better argument is to reason for a wise preparation for peace from the evidents fruits of the mistake of not having prepared for war. Peace is coming, and unless we are prepared, we may miss our chance to make the most of it.

DEVELOPMENTS IN NORTHERN ONTARIO.

In the course of his report for the year 1916 to the shareholders of the Canadian Northern Railway System, the President (Sir William Mackenzie) states: "The colonization of Northern Ontario has been retarded by the war; but, peculiarly enough, there is a compensating feature in the inordinate demand for paper and its consequent startling increase in costs. The spruce, balsam, and jack pine woods, suitable for making pulp, and of which there is an abundance tributary to the company's lines, are finding an immediate market demand. The Provincial Government has offered for sale a large acreage of wood; and the company, having 2,000,000 acres of land, mostly covered with pulpwood, is undertaking their development. Arrangements are being made for the establishment of pulp and paper mills in the district, and, in the meantime, large shipments of pulpwood will be made to mills already under operation in the older sections of the country. Mills for the sawing of merchantable timber are also being erected along the company's lines."

TO REBUILD DEMAND FOR HIGHER GRADES OF PAPER.

(From Louisville Correspondent, U.S. Paper Maker).

Paper jobbers and printers of Louisville are of the opinion that it will take years to rebuild the demand for the higher grades of bonds and other papers following a return of normal conditions in the U. S. It is reported that consumers of paper have been gradually working to lower and lower grades of stationery in an effort to hold down their overhead expense, and continue using papers at the same approximate price, although at considerable lower quality.

It is asserted that many of these consumers will continue using low-grade materials when conditions return to normal. A printing salesman recently made the statement that out of his following in the city, he had less than half a dozen customers who were using the same grades of paper that they employed previous to the war and the advances.

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

In consequence, I give FORTHWITH NOTICE to all who intend to prosecute or defend prisoners now in the Common Goal of the said District, and all others, that they must be present at the said Court, and I also give notice to all Justices of the Peace, Clerks and Peace Officers, in and for the said District, that they must be present at the said Court, with their Records, Rolls, Indictments, and other Documents, in order to do those things which belong to them in their respective capacities.

L. J. LEMAY, Clerk.

Sheriff's Office,

Montreal, 11th May, 1917.

The Bank of Nova Scotia.

DIVIDEND NO. 300.

Notice is hereby given that a Dividend at the rate of fourteen per cent, per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th and that the same will be payable on and after Tuesday, the 3rd day of July next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 18th to the 30th proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., May 15th, 1917.

Bank of Montreal

NOTICE is hereby given that a Dividend of Two-and-one-half per cent, upon the paid up Capital Stock of this Institution has been declared for the current quarter, also a Bonus of one per cent., both payable on and after Friday, the FIRST day of June next, to Shareholders of record of 30th April, 1917.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 24th April, 1917.

PROVINCE OF QUEBEC, DISTRICT OF MONTREAL, NO. 1667, SUPERIOR COURT.—Dame Bernadette Augé of Montreal, wife common as to property of F. E. Wilfrid Corbeil real estate broker, of City and District of Montreal, duly authorized to the present, Plaintiff, vs. The said F. E. Wilfrid Corbeil, Defendant. An action in separation as to property, has been taken in this case on May 16th, 1917.

BERARD & SON,
Attorneys for Plaintiff.

Montreal, May 16th, 1917.

THOUGHTS ON ST. HELENA.

An Open Letter to the Kaiser From One Who Knows the Island.

You may go to St. Helena soon, I understand, but you are probably too busy fighting for your existence now to find much time for general reading. So I will tell you about St. Helena.

St. Helena is a pretty eight by ten island in the south Atlantic. The nearest land is Ascension island, 700 miles away, and the nearest mainland Africa, 1,200 miles east. The best way to reach St. Helena is by boat. A battleship could drop you there and call back once a month to see if you were all right.

The cliffs of St. Helena rise to the height of 1,000 feet, and the view from the top must be entrancing to a man who yearns as passionately for a free ocean as you do. You could stand up there and look at a free ocean for miles in any direction. As far as your eye could reach you would never see a submarine blowing up a passenger ship. The seas around St. Helena are probably the freest in the known world, and I hope you may be spared to enjoy the sight of them.

One of the nicest things about St. Helena is that it lies 4,477 miles away from England. While visiting the island you would not need to worry all the time for fear of being attacked by the soft, cowardly, rabbit hearted English. You would not need to sleep in your spurs, with a gun under your pillow and your sword hanging on the foot of the bed, because England and Belgium would be too far off to jump on you without warning as they did so treacherously in 1914. After you had been at St. Helena a few years perhaps you would feel so safe that you could venture out in the yard without your weapons. There's no place like an island for a militarist with nerves.

St. Helena is really the lid of a volcano, but you have sat on the lid of a volcano for thirty years, so you wouldn't mind that. The climate is temperate and salubrious. The Hotel Longwood, where Napoleon stayed, is still standing. Queen Victoria presented it to the people of France some years ago, but doubtless it could be rented from the French nation. You need a good rest after your hard fight for the freedom of the seas, and I'm sure there is no place where you could rest better than at St. Helena. The island was settled originally by pirates and about 3,500 of their descendants remain to this day, so you would have just enough congenial society without being overrun with it. Now I must close and take a run down to the bulletin boards to see if your brave little U-boats have made the seas any freer than they were yesterday.

ARITHMETIC IN EDEN.

How many apples did Adam and Eve eat?

First Old Boy.—Some say Eve 8 and Adam 2—a total of 10 only.

Second Old Boy.—Now, I figure the thing out far differently: Eve 8 and Adam 8, also—total, 16.

Third Old Boy.—I think the above figures are entirely wrong. If Eve 8 and Adam 82, certainly the total would be 90.

Fourth Old Boy.—Scientific men, however, on the strength of the theory that the antediluvians were a race of giants, reason something like this: Eve 81 and Adam 82—total 163.

Next Old Boy.—Wrong again. What could be clearer than if Eve 81 and Adam 812, the total was 893?

Still Another.—I believe the following to be the true solution: Eve 814 Adam and Adam 8124 Eve—total, 8,938.

The Winner.—Still another calculation is as follows: If Eve 814 Adam, Adam 81,242 oblige Eve—total, 82,056.

INVICTUS.

(Chicago Tribune).

The war means this: Either Germany will be defeated or the United States will be defeated. If Germany is victorious it will be because the United States has been conquered. If the United States is conquered it will mean that we pay the price which the vanquished have to pay.

We cannot admit that any such possibility is to be considered. There is no such possibility. We are in the war. That means that we win the war. No matter how long the road and no matter how bloody the scroll, if one nation is to be beaten down that nation shall not be the United States.

The American people, entered upon an enterprise which they do not as yet see clearly defined, will find the definition of it and they will be the architects of their own fate.

Book Review

Agricultural Production,' Etc. By J. H. Menzies, F.C.A., Winnipeg. Mr. Menzies has written an interesting and comprehensive "study of conditions" in the West, in relation to the problems of war-time and the problems that will arise after the war, covering agricultural production, immigration, mortgage and bank loans, industrial expansion, settlement of the returning soldiers, etc. There is also a note on "The Rural Credit Proposals of the Manitoba Government." In discussing the question of immigration, the author, while fully recognizing the importance of an increase of population, does not look for any large influx from Europe in the early future. British immigrants, he feels, are most desirable, but he thinks it will be a mistake to suppose that the British Government will encourage the expatriation of the stalwart Yeomanry of their country, even to send them to Canada. On the contrary, special efforts will be made to improve the condition of the agricultural classes in the Mother Country, to induce them to remain at home. European governments will be even more anxious than before to prevent the emigration of their people. Immigration from the United States on any large scale he does not look for. The settlement of our returned soldiers on the lands of Canada is strongly urged, the difficulties of that problem are admitted, and suggestions are offered respecting the best method of overcoming them.

NEW CANADIAN PATRIOTIC SONG.

"The Recruit's Farewell" is the title of a new popular Canadian patriotic song, which has already met with considerable success, and which is now being introduced into the city of Montreal. The words and music are by Emmeline Stuart Godfrey (Mrs. Ernest Godfrey) of Ottawa, a well-known writer of melodious verse. The song is dedicated to the memory of her late nephew, Hugh Howard Lindsay, of the Ontario Agricultural College, Guelph, and the Department of Agriculture, Ottawa. Mr. Lindsay, who joined the First Canadian Contingent, fell at Langemarck on April 22, 1915. Published by Escott & Co., of 64 Newman Street, London W., England, copies may now be obtained from Mr. M. Waring Davis, Resident Secretary of the Associated Board of Music, at 777 Shuter Street, Montreal, at the price of 35 cents per copy. A proportion of the proceeds from the sales will be devoted by the authoress and publishers to Lady Jellicoe's Fund for Wounded and Disabled Sailors.

TWO KINDS OF THRIFT.

One of the greatest dangers that confront us at this moment is misguided thrift" declares a statement issued by S. W. Straus, President of the American Society for Thrift. In our efforts to be patriotically economical we find ourselves going to extremes in the opposite direction, which is just as great a menace as wastefulness and extravagance. One of the worst calamities that could befall our nation at any time would be to stop the wheels of industry, but more especially now.

"The point is to differentiate between destructive and constructive thrift. In times of peace or war waste is reprehensible, but indiscriminate tight-fistedness is worse, because in such conditions the provident are made to suffer with the improvident. Every one can distinguish the difference between prudent living and wastefulness. If a man buys a suit of clothes, a pair of shoes, or a hat, his money goes into legitimate circulation and furnishes uses for capital and employment for labor. The American people have responded in a grand way to the needs of the hour. We are going to conserve our resources and increase our food supply in a way that will astonish the world, but in doing this we stand face to face with economic hardships unless each individual is governed by common sense, prudence, and foresight."

THE RACE.

(Philadelphia Public Ledger).

We have started in a race between construction and destruction. Barring some other means of lessening the submarine peril, the discovery of some new method of curbing U-boat activities, the task before us is to build new tonnage faster than the old can be sunk. That is more than England or France can do at present. It is the one way we can send to the Allies the supplies and the men they so greatly need.

LUMBER, PULP AND PAPER

Britain's After-War Wood Requirements

Douglas Fir and California Redwood will to a great extent take the place of Southern Longleaf Yellow Pine.

The Southern Lumberman's Washington correspondent writes at some length on the opportunities for lumber in Great Britain after the war.

A recent report by Consul Ripley Wilson, at London, to the Department of Commerce, is mentioned as stating that at the close of the war the United Kingdom will need large quantities of timber and lumber. London merchants agree, it is stated, that Southern longleaf yellow pine will enjoy a larger demand and sale than any other wood.

Longleaf pine, writes Mr. Wilson, is more generally used than any other wood for deck planks and general joinery work on cargo boats, though Canadian and American white pine and other woods enter into the construction of such vessels. The British navy has given teak the preference for covering the upper or weather decks of warships, though the tendency, according to the American Consul at Glasgow, is to use less wood and to employ a composition consisting of cork, sawdust and cement. This composition is laid on top of iron or steel decks and has been found to give greater resiliency than wooden decking.

The American Consul at Belfast, Ireland, writes about the sizes of yellow pine imported into that port, including hewn and sawn timber, planks and boards. The approximate annual consumption of this wood by Belfast shipyards, says the consul, is about 3,000,000 board feet. White pine is employed principally for model making, decking and joinery work in the better class of ships and passenger vessels. The annual imports into Belfast of white pine are said to be about 2,000,000 feet, of which Canada supplies two-thirds and the United States one-third.

PACIFIC COAST WOODS.

"The opinion seems to prevail here," writes the consul at Belfast, "that when peace is restored to

Europe, with the good shipping facilities afforded by the Panama Canal, Douglas fir and California redwood, which in recent years have occasionally been shipped to this market, will to a great extent take the place of Southern longleaf yellow pine and white pine, being cheaper and more easily procured in the specifications required."

In explanation of this statement Consul Wilson at London says that yellow pine must often be purchased in oversize logs to obtain decking and timbers of desired dimensions. This involves a waste not encountered in cutting the larger trees of the Pacific Coast, says Consul Wilson. Very few wooden ships are built in Great Britain, even river and canal barges being constructed of iron.

The tendency away from the use of wood in water-carrier construction, which has been manifest for many years, may be arrested at this moment, and there may be a certain amount of wood shipbuilding immediately after the war. But it will be a temporary revival, and eventually longleaf yellow pine and other woods, which will presently be in greater demand for shipbuilding, will be employed in that industry only for decking and the usual superstructure, as under normal conditions.

From the office of the United States commercial attache at London comes the following comment upon the prospective lumber trade in the British Isles after the war, and the part which the United States, Scandinavia and Russia, Canada's chief competitors, as well as other countries, may play in supplying the demand of British markets, which are regarded as the thermometer of the world trade in lumber and other forest products:

"The present demand for wood in England and the destruction of the home forests consequent on the import restriction will make this country even more dependent in future on foreign supplies. Even if all the afforestable land in the British Isles were afforested, the annual product would supply England with only a fraction of what it needs in normal times. Sir John Fleming, a well known timber expert, speaking at the Aberdeen Chamber of Commerce recently,

estimated that the total acreage of Great Britain is only 56,000,000, of which area there are under crop and grass 32,000,000, leaving only 24,000,000 acres, not more than one-fourth of which is suitable for afforestation.

ADVANTAGE OF PROXIMITY.

"Because of their proximity to the British market, Russia and Scandinavia have a great advantage over the United States and Canada. Just prior to the war over 50 per cent of England's timber imports came from Russia and about 25 per cent from Scandinavia, while about 22 per cent came from the United States and Canada. For future supplies England is looking to the Southern States of the United States for yellow pine and hardwoods; to Central and West Africa, the West Indies and Central America for mahogany, to southeastern Asia for teak, and to Australia for hardwoods and veneers. Supplies of softwood are looked for from western Canada and western United States, Norway, Sweden, Finland and Russia.

"Much attention is being paid to Russia's possibilities, where the exploitation of the forests is still on a primitive basis. It is estimated that there are in European Russia 201,400,000 acres of forest privately owned, and 228,973,000 acres owned by the State. In Asiatic Russia there are 192,000,000 acres surveyed and about 466,000,000 acres unsurveyed. It is evident that this huge supply of timber will contribute to Europe's needs even more largely in the near future than it has in the past."

NEW PAPER MILL FOR ONTARIO.

It is announced that the Michipicoten Power and Paper Co. contemplates the construction of a 150-ton news mill at Michipicoten Harbor, about 120 miles west of Sault Ste. Marie, and also a 125-ton ground-wood pulp mill. The cost of mills and waterpower development is estimated at about \$6,000,000. Mr. L. M. Wood, president of the Standard Chemical, Iron and Lumber Co., is the head of the new company, the headquarters of which will be at Toronto.



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THE EXPORTER'S FIELD

The Producers' Viewpoint on Canadian Wool Embargo

Canadian wool growers can hardly be expected to give their consent to the establishment of an exclusive embargo on the exportation of wool without having a pretty clear knowledge of its necessity and probable effect on wool prices. They are likely to be even more sceptical on account of the situation which arose after the passing of the embargo of 1915 when the price of wool dropped ten cents a pound to the producer at local points says, Prof. A. A. Macmillan in the Canadian Textile Journal.

Two main arguments are presented as to why an absolute embargo should be placed on the exportation of wool to the United States: First, that Canadian mills are dependent on the grown products to supplement what they may be able to secure through preference with the British Government to meet the heavy trade and military demands of the present, and second, that it is in the best interests of the country that every pound of wool grown in Canada be manufactured here.

The first argument is significant of the fact that production is much below Canadian requirements and that in the pinch of restricted war conditions the Canadian manufacturers are placing a new value on Canadian wool. Ever one will admit that until late years the condition of Canadian wool was not good and that buyers in most cases were justified in paying the Canadian farmer a lower price for his wool than was paid in any other country. The last few years, however, have seen a great change not only in the quality of the wool that is produced, but also a marked improvement in the methods of placing it on the market.

Owing to up-to-date methods in breeding, management and preparation most of the provinces are now in a position to offer considerable quantities of Canadian wool that will compare favorably with that from any part of the globe. This has had the effect of bringing the price of Canadian wool more nearly on a par with outside values, yet Canadian wool has never sold at home above its outside value and home manufacturers have often passed it by to purchase imported wools at higher values. The present effort for improvement has come largely from the producer and while he is willing to admit that the manufacturers have met him to some extent when he has placed on the market a product that met their requirements, yet he feels that it has been an uphill pull and that he is only now getting on to his feet.

Present prices for all ship products are giving the sheep industry new vigour and the next few years will see a great expansion of the sheep industry. No country is perhaps better suited for sheep raising and no country has better natural facilities for woolen manufacturing. The woolen manufacturer today is feeling the pinch because of low production, and unless expansion comes he will feel it again and again until the producer can meet his requirements. Hence it is in the interests of the manufacturer as well as the producer to increase production, and it must not be forgotten that unrestricted markets and good prices are the most effective factors in bringing this about.

The producers are patriotic enough to stand shoulder to shoulder with the manufacturers in claiming that every pound of Canadian wool should be manufactured at home. It has been the policy of organized associations to give home industry the preference and in three years of operation, the associations in Quebec have sold every pound of their output to Canadian mills, and they will continue their present policy so long as they can make sales at a reasonable market value.

It is indeed regrettable that three quarters of the Canadian clip last year was exported, but a survey of the export figures shows that in almost every case the exporters were not the producers but the middle men. The middle man in the past has been largely responsible for the improper methods of handling wool. When the embargo came into effect in the spring of 1915 the price of wool dropped ten cents a pound in districts where there were no organized associations, although associations were able to sell direct to the manufacturers at previous prices, which goes to show that the middle man used the embargo to line his own pockets.

Owing to the extreme shortage of wool in the United States at the present time there will be keen

competition between American and Canadian buyers for the 1917 clip, but surely the Canadian buyer has little to fear from this competition provided he gets the preference in the matter of purchase. The American has to ship out under a special permit and he has extra freight rates to pay. The producer is wise enough to see that the present situation practically assures him United States prices for graded wool and he argues that surely his wool must be worth as much to the Canadian manufacturer as to the American.

The producer would be inclined to look upon an exclusive embargo at the present time as a direct blow at his interests. He would no doubt welcome a legislation which would restrict the operations of the speculator who is the real offender and he

would be willing to stand behind and assist the manufacturer in obtaining legislation which would enable him to overcome any disadvantages which he may have in competing with his larger and more firmly established competitor to the South.

The relationships of the producer and the manufacturer are of a highly desirable character at the present time, and it would seem that the present is a time when both should get together and discuss matters of mutual interest. A move on the part of one without the consent of the other will only lead to distrust. The adoption of a policy which would eventually lead to a sheep population of twenty to fifty million head inside of two would surely be in the best interests of both.

Increase in Canada's Metal and Mineral Productions

That Prices of Canadian Metallic and Non-Metallic Productions Have Increased in Value During the Past Year, is Shown by the Comparative Statement on the Output of Canadian Products During 1916.

During 1916 the production of copper was increased by 18.84 per cent., while the value of the total output is placed at \$15,169,422, an increase of 87.13 per cent. The gold output was increased only 0.97, and the value is placed at par. A big contrast is given in the figures for the lead industry which show that the production was reduced 10.20 per cent., but the value of the output was increased over the total value of the 1915 output by 36.52 per cent. The Canadian nickel mines yielded an increased production of 21.45 per cent, and the value went up 41.69 per cent. Silver has also increased in value, the 1916 production was

3.59 per cent. less than that of 1915, but the value went up 27.41 per cent.

OTHER INCREASES.

Asbestos and asbestic went up 12.91 per cent. and the value by 44.35 per cent. The coal output increased 9 per cent. and the value by 21.01 per cent. Petroleum 8.05 per cent. and the value is up to 30.51 per cent.

A comparative statement of metal prices for the years 1911, 1912, 1913, 1914, 1915 and 1916, which shows many large increases, is as follows:

	1911.	1912.	1913.	1914.	1915.	1916.
Antimony (ordinaries) Per pound	7.540	7.760	7.520	8.763	30.280	25.370
Copper, New York "	12.376	16.341	15.269	13.602	17.275	27.202
Lead, New York "	4.420	4.471	4.370	3.862	4.673	6.858
Lead, London "	3.035	3.895	4.072	4.146	4.979	6.715
Lead, Montreal "	3.480	4.467	4.659	4.479	5.600	8.513
Nickel, New York "	40.000	40.000	40.000	40.000	45.000	45.000
Silver, New York Per ounce	53.304	60.835	59.791	54.811	49.684	65.661
Spelter, New York Per pound	5.758	6.943	5.648	5.213	13.230	12.804
Tin, New York "	42.281	46.096	44.252	34.301	38.500	43.480

PROVINCIAL PRODUCTIONS.

The mineral productions, by Provinces, during 1915 and 1916, are as follows:

	1915.		1916.		Increase.	P.C.
	Value of Production.	P.C. of total.	Value of Production.	P.C. of total.		
Nova Scotia	\$ 18,088,342	13.19	\$ 19,963,985	11.26	\$ 1,875,643	10.37
New Brunswick	903,467	0.66	878,446	0.49	*25,021	2.77
Quebec	11,619,275	8.48	14,397,909	8.12	2,778,634	23.91
Ontario	61,071,287	44.45	80,379,352	45.32	19,308,065	31.62
Manitoba	1,318,387	0.96	1,819,921	1.03	501,534	38.04
Saskatchewan	451,933	0.33	583,708	0.33	131,775	29.16
Alberta	9,909,347	7.23	13,336,702	7.52	3,427,355	34.59
British Columbia	28,689,425	20.92	40,191,744	22.66	11,502,319	40.09
Yukon	5,057,708	3.69	5,805,687	3.27	747,979	14.79
Dominion	\$137,109,171	100.00	\$177,357,454	100.00	\$40,248,283	29.35

(*): Decrease.

HIGH TOTAL VALUE.

The total value of the metal and mineral production in 1916 was \$177,357,454, which compared with a production in 1915 valued at \$137,109,171 shows an increase of \$40,248,283, or 29.3 per cent. The previous maximum production was \$145,634,812 in 1913.

Reporting on mineral production, Mr. John McLeish, chief of the Division of Mineral Resources and Statistics of the Canadian Department of Mines, Ottawa, said that the war has had a most pronounced effect not only in stimulating the production of those metals such as nickel, copper and zinc, iron and steel, molybdenum, etc., which are used so extensively for war purposes, but also in increasing the production of other products such as chromite and magnesite which can only now be obtained with difficulty, if at all, from sources previously available. The general industrial activity in metallurgical operations and in the manufacture generally of munitions of all kinds, including the freight movements required, have in turn increased the demand for fuel which has been met in Western Canada at least by large increases in coal production.

Increased production in quantity has in most in-

stances been accompanied by large increases in prices, thus further enhancing the total value of the production.

Considerable progress has been made during the year in establishing and increasing smelting and refining capacities of which the installation of electrolytic zinc and copper refineries at Trail and the beginning of construction of a nickel refinery at Port Colborne, Ont., are conspicuous examples. In addition, mention should be made of the production of metallic magnesium at Shawinigan Falls, of ferromolybdenum at Orillia and Belleville, of metallic arsenic at Thorold, and of stellite, the Cobalt alloy for high speed tool metal, at Deloro, and of the increased capacity for the production of steel particularly the installation of electric furnaces.

The mining output has been restricted and the efficiency of its operation considerably reduced by the withdrawal for war service of such a large proportion of the more highly experienced labor and engineering supervision. Higher costs have tended to offset the advantages to be derived from higher prices of output and in the case of gold mining have been a distinct burden.

THE GRAIN MARKETS.

The Winnipeg market in wheat broke sharply during the week and shows a net decline amounting to 28c. The Government has been in the cash market for straight grades for some time past, releasing futures at the same time. This fact, with the increase in the visible supply, has had a tendency to beat down prices. Outside of Government operations there is little or nothing doing in the cash situation. The elevator companies have undertaken to give the Government first call on 90 per cent. of what they gather of the western crop. "This," said one dealer, "means practically all of it, and when an elevator company now finds a car of grain in the interior they simply report the same direct to the Government agency."

The bears have ruled the Chicago market all last week, due to optimistic crop reports, and the rumor that foreign buyers were unloading futures. Most dealers seem to be awaiting legislation on the wheat situation, and as a result trade is rather quiet.

Local prices have moved in sympathy with those prevailing in other centres, and present quotations are much lower than those of last week. Oats also developed weakness and prices sagged.

The local cash grain situation is as follows:

Grains: (Wheat prices are nominal)	Per bushel.
Spring wheat, Manitoba No. 1	2.91 2.96
Do, No. 2	2.78
Do, No. 3	2.62
Do, No. 4	2.51
Winter wheat, Ontario No. 2	2.65 2.70
Sample wheat, Manitoba	2.60
Feed wheat, Manitoba	1.43 1.45
Oats:	
No. 2 C. W.	0.81
Do, No. 3 C. W.	0.78
Do, Extra No. 1 feed	0.78
Do, No. 2 feed	0.76
Ontario Oats, No. 2 white	0.73 0.75
Do, No. 3	0.72 0.74
Barley, No. 4 C. W., Rejected	1.25
Do, feed	1.29
Corn, American, ex-track	1.68 1.79

FLOUR AND FEED.

There is little or no trade passing in flour at present, dealers seeming to be well supplied. An easier undertone in sympathy with the wheat situation has developed, and one milling company said that it "would not be at all surprised to see another drop in spring wheat flour grades, but the winter variety is displaying a persistently firm tone."

The unseasonable weather during the past week has done something to increase the demand for feeds, but such a move is of only a temporary character, and dealers say that lower prices can be looked for from now on. Bran is being quoted by some at \$39.00. Shorts and Mouillie also show declines. Hay has strengthened during the week, all grades moving up 50c. per ton. Rolled oats is steady at former figures.

Prices follow:

Flour:	per 98-lb. bag.
First patents	7.30
Second patents	7.05
Strong Bakers	6.95
Rye Flour	5.80
Winter wheat flour, 90 per cent.	7.25 7.40
Corn Flour, bbls.	12.00
(An extra charge of 20c is made for flour bbls.)	
Cereals:	Per ton.
Roller Oats, 90 lb. bag	4.25 4.50
Oatmeal, 98-lb. bag	4.30
Roller wheat, 100-lb. bag	4.40
Bag	5.05
Feeds:	Per ton.
Bran	39.00 40.00
Shorts	45.00 46.00
Midlings	48.00 50.00
Mouillie, pure grain grades	55.00
Do, mixed	51.00 52.00
Barley feed	47.00
Crushed Oats	49.00
Outfeed	32.00
Hay, best grades	14.00
Do, No. 2 ordinary	13.00 13.50
Do, No. 3 Timothy	11.50 12.00
Clover, mixed	10.50 11.00
Peas, per bush.	3.90 4.00
Buckwheat, per bushel	2.70 2.75

GRAIN AND PRODUCE RECEIPTS.

The following table gives the receipts of grain, flour and produce at Montreal during the past week:

Wheat, bushels	1,485,428
Oats, bushels	645,092
Barley, bushels	61,916
Rye, bushels	5,078
Flax, bushels	52,000
Hay, bales	5,361
Flour, sacks	31,599
Eggs, cases	27,246
Butter, packages	8,071
Cheese, boxes	34,051

BEANS FOR SEED.

During the past twelve months hundreds of car-loads of beans have been imported into Canada to meet the needs of Canadian packing houses to fill contracts for army supplies.

Recently large quantities of small white beans have been imported from Japan and Manchuria, and sold for food.

The Department of Agriculture has issued a warning to farmers not to use these for seed owing to the different climatic conditions.

The demand for seed beans has been so great that the Government has secured the co-operation of the leading canning companies, with the result that there are now available 8,000 bushels. These are being sold by the canning companies to farmers at \$5 a bushel. In the Province of Quebec there is normally about 12,000 acres of beans, while in the Province of Ontario there is normally about 48,000 acres.

The average yield in Quebec and the Maritime Provinces is 17 bushels and in Ontario 19 2-5 bushels per acre. Owing to the food scarcity the Department of Agriculture is making vigorous efforts to increase the bean crop in this country.

LIVE STOCK.

MONTREAL: Receipts of live stock at Montreal for the week ending May 19th amounted to 1,550 cattle, 375 sheep and lambs, 3,350 calves and 3,050 hogs, while the offerings on the market last week were 1,000 cattle, 250 sheep and lambs, 1,700 calves and 1,700 hogs, an all around decrease. Prices for ordinary grades of cattle remained unchanged, however, as butchers seemed to have good stocks on hand, and as a result bought little. There was a stronger feeling in the market for the better grades of steers and heifers, and prices advanced 25c. and 50c. per 100 lbs. in the face of the strong demand and somewhat limited supplies.

The supply of sheep and lambs coming forward continues small, but it is ample to fill all immediate wants, as the demand from both packers and butchers at present is very limited, and the indications are that it will remain so until they work off their cold storage stocks. The market was quiet, with no change in prices to note. The trade in calves was fairly active, and prices ruled steady. The tone of the market for hogs was strong in sympathy with the higher prices that were paid at other Canadian centres at the latter end of last week, and in consequence advances amounting to 25c. to 40c. per 100 lbs. were realized in some instances. The demand was keen, with sales of selected lots at \$17.75; \$18.25 and \$18.40.

TORONTO: The receipts of live stock at Toronto for the past week amounted to 5,189 cattle, 377 sheep and lambs, 1,311 calves and 10,958 hogs, as compared with those of the previous week, which were 6,517 cattle, 569 sheep and lambs, 2,068 calves, and 11,648 hogs. Prices for cattle dropped, due to the big supplies on sale, a condition of affairs which continued throughout the week, and closing quotations were 50c to 75 per cwt. lower than at the commencement of the week.

In the small meats department, choice calves were strong, with odd sales as high as \$15, and with the general quotations at \$12.50 to \$14. Medium and common calves were slow, with no change in prices. The market for sheep was easier. About 50 per cent. of the receipts are clipped, and these are bringing about \$3 per cwt. less than unclipped sheep.

The hog market was decidedly weaker, and packers were able to effect a price reduction of 40c. On the Monday market, transactions were merely nominal. Tuesday's sales were at \$17 to \$17.10, and on the week-end trading hogs went at \$17 on the fed and watered basis, with the market closing easier, indicating a further drop for next week. The weakening locally was accompanied by a stronger market in Montreal. This was due to the fact that the latter market is for domestic account solely, while Toronto's extensive export business will be affected to a considerable extent by the lower prices in Great Britain, caused by liberal shipments from Denmark, which were calculated to be sufficient for two months' consumption.

PAPER DRINKING CUPS.

There is a good demand in New Zealand for paper drinking cups; they are largely in use by the Government Tourist Department. Previously they came from England but the supply has ceased. It would be a good idea to send a sample, with prices c.i.f. New Zealand ports, to this office, and they will be passed on to the proper quarter.

Empire Cotton Mills Welland, Limited

Manufacturers of

**Textiles, Sail Duck,
Bag Cloths
and
Seamless Bags**

Write for Quotations

BIGGER SUGAR PRODUCTION.

Sugar is in a very easy market at present and from all indications it would seem that the production of sugar on the Island of Cuba will be heavier than has been anticipated. Such, at least, is the opinion of an official of one of the local refineries. "While the reported production up to the present," he said, "is almost 300,000 tons less than at this time a year ago, yet the estimated 3,000,000 ton mark will probably be reached and perhaps overstepped, as there are more centrals grinding than at this time last year. Cuba can usually be depended on for about three and a half million tons of sugar, but this year owing to the revolution and labor conditions on the Island, this estimate was reduced to three million tons. Rains are another drawback to production, and while reports of late have been somewhat conflicting the more reliable ones say that partial rains have occurred, but not to an extent sufficient to effect the output to any appreciable degree.

"The bulls are, of course, doing everything possible to bolster up the market, but talk of government control is proving a bug-bear. Raw and refined markets in New York will go on their summer schedule June 16th, when both markets will close on that day and every Saturday thereafter. In all probability local prices will remain firm for the preserving season, but it is impossible to give any reliable opinion as to how the market will go." Freight from Cuba prevail uniformly high with a less eager demand in view of the dull outlook. Cuban raws in New York were quoted at 5.4, duty paid. There are sufficient raw sugars on hand to last the refiners for a month or so and such a condition of affairs leaves the refineries able to resist any attempt at a raise in the raw market.

During the past week the British Commission is understood to have purchased through American sugar refineries 20,000 tons granulated at 6½ cents f.o.b., New York. This is first interest shown by the commission in the American sugar market for some time.

Norway and other countries are enquiring, in a small way, for American granulated, refiners asking 7 cents f.o.b., New York.

A rumor has been current on the market that the Canada Sugar Refinery are unable to make deliveries, but an emphatic denial has been given this statement. They say that they are prepared to make deliveries in any quantity and for prompt shipment.

Bradstreet's has the following to say as regards the beet sugar output:

"With the lengthening of the period of the war the output of beet sugar produced in Europe has fallen nearly one-half, the estimated output of the 1916-17 crop year being 4,814,000 tons, against 8,341,000 tons in the crop year 1912-13. According to a compilation made public by the National City Bank of New York, covering the beet sugar industry in the United States and Europe, the crop of Germany is estimated at 735,000 tons, thus giving that country 194,000; Holland, 270,000; France, 185,000, and Belgium 100,000, while the beet sugar production of the United States in the crop year 1916-17 is now estimated at 735,000 tons, thus giving this country fourth rank at present among the world's producers of beet sugar."

FLOUR OPINIONS GUARDED.

A policy of watchful waiting seems to be the one adopted by local millers who refuse absolutely to make any statement as to the flour situation. One of the local millers declared that the ordinary man on the street had as good an idea of the situation as the oldest man in the flour business. One said "To have flour you must have wheat first and if wheat sells for \$3.00 a bushel or higher, then flour must also follow. The only selling in the wheat market at present," he went on, "is that done by private sales. Our Winnipeg market quotation sheet is blank and likely to remain so for some time."

"Yes," commented another milling official in answer to a remark, "I suppose the housewives of Montreal are quite delighted over the fact that two weeks ago spring wheat flour dropped \$1.90, and that winter wheat grades declined \$1.00. Prices may go down further still, or may shoot up again to-morrow. It would take more than human foresight to see how the market will jump. Markets for futures in both Winnipeg and Chicago have been erratic of late the last couple of weeks selling highest and, comparatively speaking, low prices. Bearish crop reports and the rumor that the United States government was about to stop the operations of the Entente Allies as buyers in wheat have done much to break the high ruling quotations and the effect of the declines is at once felt in flour."

"The Government is doing its best to stop speculation in wheat and the effect of such a move remains to be seen," said another prominent flour dealer. "To eliminate speculation you have to eliminate the professional speculators—the people, the only people in fact who have enough courage to operate on the falling end of the market. England wants to buy wheat and the flour mills want wheat. Just where the Government will find itself when conditions are such that everyone in the market is a buyer and sellers cannot be found is a question. I have not considered \$20.00 flour at all probable, but it will take just some such move as this to send the price skyrocketing again and keep it there."

"Another foolish idea, but one which has not gained headway to any extent here," he continued, "is that one which causes people to buy up flour for storage. That may be all very well, but the trouble is that as a general rule the storage conditions are such that when the time comes to take away the flour it is useless. Storage conditions for flour must be excellent or the product will spoil. As far as my knowledge goes Canadians display much more sense in this direction than the people across the border, who when war was declared bought in haste and are now repenting at leisure."

"It is absolutely impossible to make any comment on the next wheat crop with the seed just in the ground a day or two," he said. "But from reports that have reached the east it would seem that there will be a much larger area of ground seeded this year than ever before. It, therefore, remains to be seen whether the weather man and Dame Nature are on the side of the Allies or not."

"If not?" was asked.

"If not!" he repeated, and eloquently shrugged his shoulders.

The London Times has, in part, the following comment to make on the action of the British Government in taking over all the flour mills in Great Britain with a capacity of five sacks per hour:

"It has become necessary for the State to have control of the milling of flour for bread because, under orders already in operation, there are certain cereals which may be mixed with wheat in the preparation of flour, and the most economical and effective method of distributing these cereals must be followed to conserve stocks. At present millers choose the substitute which suits them best, but it is preferable that all the mills should not be using the same substitute at one time, and under the direction of the Food Controller one mill will perhaps use maize and another rye. Further dilution of wheat is almost certain to become necessary in the near future, and the power to distribute the alternative cereals to the best advantage will be valuable."

"The taking over of the mills does not mean that the Ministry of Food will have to place an agent in each establishment, but certain general regulations will be laid down, and in any matter which may arise in regard to output or administration the Food Controller will have the last word."

"Quite a number of orders have now been issued to deal with the dearth of wheat and other cereals, and still more drastic steps may yet be required to deal with this, the most serious, aspect of the food problem. Assumption of the control of the sale and distribution of bread is not outside the calculations of the department."

HIDES AND LEATHER.

A deputation of Canadian hide dealers recently interviewed Sir George Foster in regard to the scarcity of leather. Mr. F. N. Beardmore, one of the delegates from Montreal, requested that something be done to induce Australia to remove its restrictions on the export of hides in order that Canada may secure enough to supply her needs. Boot leather it was pointed out is reaching not only unheard of but also impossible prices. The Minister promised to look into the matter.

The market is easier, being about 1c lower for green hides with a fair demand at the decline. As far as leather is concerned there is little or nothing doing locally. A few shipments of sole and black leather have been made to the States at unchanged prices.

Current quotations follow:

	Per Pound.
Hides:	
No. 1 inspected	0.26
No. 2	0.25
No. 3	0.24
Rough	0.23
Sheepskins, each	3.90 4.00
Calfskins	0.33 0.35
Spring Lambskins, each	0.25
Sole Leather:	
No. 1 Hemlock Sole	0.62 0.60
No. 2 Hemlock Sole	0.58 0.56
No. 3 Hemlock Sole	0.55 0.54
Oak Sides, Canadian, dry hides	0.63 0.61
Do., from hides, green	0.68 0.66
Oak backs	0.68
Oak bends, No. 1	0.85 0.83
Oak bends, No. 2	0.79
Oak bends, No. 3	0.75 0.74
Upper Leather:	
Gun Metal Sides	0.50 0.45
Chrome Box Sides	0.48 0.45
Matt Sides	0.45
Kangaroo Grain	0.42
Russett Oil Grain	0.42
Elk	0.45
Splits Wax	0.39 0.37
Automobile, Carriage, and Furniture Leather:	
Spanish furniture	0.37 0.38
Hand buffed	0.35 0.36
Machine buffed	0.32 0.32
Belting Leather:	
Belting butts, shoulders off	1.60
Belting butts, shoulders on	1.40
Harness	0.65 0.62
Skirting	0.57 0.53

A WOOL FAMINE?

"ATLEAST requirements are taking such a quantity of wool," a local wholesale house remarked, "that Canada and, in fact, the world, is facing a serious shortage in that staple. The British authorities have taken over not only the clip of the United Kingdom, but also that of New Zealand and Australia, all of which supplies are, of course, being devoted to the uses of the army and navy. As Canada is dependent upon these countries for about half her supplies you can easily see the position we are placed in. It is true that there has been a wool commission appointed to work in conjunction with the Department of Trade and Commerce with the object of securing permission to import wools from Australasia, Great Britain, Australia and New Zealand, which should show results in the very near future. All our domestic production is not suited for use in Canada, and while I don't anticipate any embargo being placed upon wool yet a license is now necessary before any can be exported. The result is that our home mills will get first call on Canadian wool while only those grades which are useless to us will be allowed out of the country. With these arrangements I hope that we will be able to tide over the difficulty which is really very serious."

BRITISH SHOE IMPORTS CUT OFF.

Among the articles banned from import to Great Britain by a recent decree of the British Government are boots and shoes of leather. During the year 1916 the United States exported to the United Kingdom footwear to the value of \$3,659,672. No figures are available as to just what proportion of this figure is made up of army shoes, but a reference to the statistics for the year 1914 and 1915 shows considerably lower figures—\$1,309,206 and \$1,482,504 respectively.

"As the situation demands new measures they will be forthcoming. Meanwhile it cannot be too strongly urged that economy of all grain is of vital importance. Oatmeal, which to-day is not within the scale of voluntary rations laid down by Lord Devonport, may be wanted later on to eke out the wheat. Waste or overeating of any kind must stop."

BANKING AND BUSINESS AFFAIRS IN THE U.S.

(Continued from page 4).

ing the present season. There is an improved feeling in business circles. Stocks in New York have made a sharp recovery in the past few days from previous low prices. Bank clearings for this week were about five per cent below the figures for the preceding week, but more than twenty per cent above the figures for this week a year ago. Business failures are much fewer than for the corresponding dates of 1916, 1915 and 1914, and are also below the figures of last week. Ordinary trade is somewhat quiet, but this is more than counteracted by enormous buying of war materials. Dividend and interest payments for June will exceed \$166,000,000 as compared with some \$137,000,000 for last June, and being a record total for the month. The railroads are buying more liberally, and they have entered upon an extensive policy of freight-car construction which may tend in time to relieve the car shortage, although the demand on the transportation facilities of the country must be exceedingly heavy for a long time.

The war situation undoubtedly causes some anxiety in business circles—more than it did when this country was not one of the belligerents. Instead of there being a disposition here to regard our part in the contest as a light one, present tendencies run in the opposite direction, and one hears talk of a long war calling for the exercise of this country's utmost strength. This may cause the country to put forth much stronger exertions than if there were a confident feeling that the war will soon end. As a reassuring factor, it must be recalled that at the inception of the war business here took fright, but soon recovered. Actually our own decision to enter the contest caused no serious business disturbance. Whatever uncertainty was engendered by this step will disappear once the country gets an accurate measurement of the job on hand.

OLD WORLD CROP REPORTS.

A cablegram received by the Government, last week, from the International Institute of Agriculture gives the following crop reports:

The condition of growing cereals on May 1 was good in Tunis, average in Spain, Netherlands and Algeria, mediocre in France, Great Britain, Italy and Switzerland.

Areas sown to wheat—Spain, 10,300,000 acres, or 105 per cent of that sown in 1916, and 106 per cent of the acreage of the five years 1911-15; Switzerland, 128,000 acres, 104 per cent of last year, and 121 per cent of average; India 32,885,000 acres, or 109 per cent of last year, and 108 per cent of average; Algeria, 3,141,000 acres, 96 per cent of 1916, and 92 per cent of average.

Areas sown to rye—Spain, 1,846,000 acres, or 100 per cent of last year, and 97 per cent of average; Switzerland, 74,000 acres, or 105 per cent of last year, and 122 per cent of average.

Areas sown to barley—Spain, 4,025,000 acres, or 93 per cent of last year, and 112 per cent of average; Algeria, 2,852,000 acres, or 95 per cent of last year, and 90 per cent of average.

Areas sown to oats—Spain, 1,416,000 acres, 119 per cent of last year, and 107 per cent of average; Switzerland, 111,000 acres, 109 per cent of last year, and 133 per cent of average; Algeria, 524,000 acres, 98 per cent of last year, and 100 per cent of average.

WINNIPEG GRAIN INSPECTIONS.

The receipts of grain in Winnipeg for the week ending May 25th, were as follows:

No. 1 Northern	315
No. 2 Northern	926
No. 3 Northern	951
No. 4 Northern	473
No. 5 Northern	222
No. 6 Northern	87
Feed wheat	70
Rejected	80
No grade	946
No. 3 special	119
No. 5 special	120
No. 6 special	26
Winter wheat	6
Totals	4,347
Same week last year	4,055
Oats	1,224
Same week last year	1,017
Barley	153
Same week last year	82
Flax	224
Same week last year	113

CANADIAN SHIPPING AND MAIL SUBSIDIES.

\$2,630,734 Asked for Current Fiscal Year.

The total amount of mail subsidies and steamship subventions to Canadian shipping asked for the fiscal year ending March 31, 1918, is \$2,630,734, according to the report of the Department of Trade and Commerce of the Dominion, Part VI, just received. In addition to this two payments, aggregating \$321,666, for services between Canada and China and Japan and between Canada and France are authorized by statute. Of the amount asked, \$1,844,166 is for Atlantic services and \$487,142 is for Pacific services leaving something less than \$300,000 to be distributed among companies operating various local services.

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

ATLANTIC OCEAN.

Annapolis, London or Hull	5,000
Canadian Atlantic ports and Australia and New Zealand	140,000
Canada and Great Britain	1,000,000
Canada and Cuba	25,000
Canada and Newfoundland	70,000
Canada, the West Indies and South America	340,666
Canada and South Africa	146,000
Halifax, St. John's N. E., and Liverpool	20,000
Montreal, Quebec and Manchester (in summer) and St. John, Halifax and Manchester (in winter)	35,000
St. John, Dublin and Belfast (winter)	7,500
St. John and Glasgow (winter)	15,000
St. John, Halifax and London (winter)	15,000
St. John, Halifax and London	25,000

PACIFIC OCEAN.

Canada, Australia or New Zealand, or both (Pacific)	180,509
Canada, China and Japan	253,333
Prince Rupert and Queen Charlotte Islands	16,000
Victoria and San Francisco	2,000
Victoria, Vancouver and Skagway	12,500
Victoria and West Coast Vancouver Island	5,000
Vancouver and Northern ports of British Columbia	15,800

Among the requirements that are common to all contracts under which the subsidies are awarded to shipping companies is the stipulation that two-thirds of the total number of officers, engineers and all other employees on steamships engaged in the service shall be British subjects, although this clause may be suspended in individual cases by the Government. The companies are also expected to carry mails as required without payment additional to the amount of the subsidies. It is also provided that Government officials be transported free of charge. Other requirements deal with the rates to be charged on freight and passage, a prohibition against carrying dangerous articles, calling at Government wharfs, furnishing proof that the services have been performed and other features arising in connection with the companies' business.

The contracts for the various services are distributed as follows:

From Canadian Atlantic ports to Australia and New Zealand, for which the subsidy asked is \$140,000, the service is in the hands of the New Zealand Shipping Company, Limited. Monthly sailings of steamers of 7,000 tons cargo capacity, carrying mails, are required to earn the full amount of subsidy. Since 1915 the service has been irregularly maintained under Orders in Council.

The Canadian Pacific Ocean Services, Limited, has the contract for the service between Canada and Great Britain, subsidy of \$1,000,000. It may be pointed out that the full subsidy has not been earned, and that during the war the amount paid has fallen off considerably.

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

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

From Halifax and St. John's, Newfoundland, to Liverpool the contract is held by Furness, Withy & Co., Limited; between Montreal, Quebec, and Manchester by the Manchester Liners, Limited; between St. John and Glasgow by the Donaldson Line; between St. John, Halifax and London by Furness, Withy & Co., Limited. Contracts for other Atlantic services have expired and have not been renewed.



MR. ALFRED SMITHERS,
Chairman Board of Directors G. T. R.

BOATS FROM GREAT LAKES.

Owing to great demand for ocean and coastwise tonnage, 71 vessels, with gross capacity of 683,770 tons, were purchased and taken out of Great Lakes trade last year. List included 12 ore carriers of 10,000-ton class.

AFTER THE WAR SHIPPING.

Lord Curzon said in House of Lords, recently, that result of British naval program will be that after the war Great Britain's naval tonnage will exceed naval tonnage of all other nations. 92% of total available tonnage has been placed at disposal of food controller, war office, admiralty and ministry of munitions. Program calls for completion each year of 3,000,000 tons gross of mercantile shipping, requiring 100,000 additional workmen and doubling of weekly supply of steel, without delaying admiralty's program. Of world's mercantile ships under 1,600 tons, England had 45.3% before war and 45.2% in December, 1916. Of ships over 1,600 tons, she had 3,900 aggregating 16,900,000 tons in June, 1914, and 3,500 ships aggregating nearly 16,000,000 tons in March, 1917.

WHAT WOODEN SHIPS CAN DO.

A thousand wooden ships will mean a continuous ferry-boat service across the North Atlantic to the eager ports of Britain, France, and Italy. Relatively light, low vessels, showing little top hamper, of smallest visibility, these wooden craft will not be conspicuous targets for lurking sub-marines, and will be astonishingly effective from sheer numbers.

One torpedo well aimed can sink a great steel ship of 10,000 tons—but as much effort and explosives are required to destroy the modest 3,000-ton wooden freighter. Size and draught of the wooden vessels will enable them to traverse narrow waters and make smaller ports—and yet everywhere a cargo of 3,000 tons of foodstuffs or munition will be valuable aid and welcome.

TRAFFIC FOR RAILROADS.

Canada had a weekly capacity of 340 18-pounder shrapnel shells in September, 1914. Today her factories turn out 400,000 shrapnel rounds a week and nearly as many high explosive shells ranging as big as 9.2 inches in size. To make these shell about 25,000 tons of steel—2,500 tons of brass—750 tons of copper—250 tons of zinc—1,500 tons of lead—200 tons of antimony—150 tons of resin—500 tons of potash—500 tons of TNT—300 tons of nitro-cellulose powder and several tons of ferro-molybdenum are required weekly. About 3,250,000 linear feet of wood are used in packing.

Several of the contracts listed were approaching expiration when the report was issued.

On the Pacific Ocean the two important services, from Canada to Australia or New Zealand and from Canada to China and Japan, are performed, respectively, by the Union Steamship Company of New Zealand, Ltd., and by the Canadian Pacific Railway.

ANCHOR-LINE

PASSENGER SERVICE

Between

MONTREAL AND GLASGOW

For information as to rates and sailings apply to Local Agents or The Robert Reford Co., Limited, General Agents, 20 Hospital Street and 23-25 St. Sacramento Street, Montreal.

CUNARD LINE

PASSENGER SERVICE

BETWEEN

MONTREAL and LONDON

(Calling Falmouth to land Passengers)

AND

MONTREAL and BRISTOL

For particulars of sailings and rates apply to Local Agents or to The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacramento Street, Montreal.



THE NEED OF SHIPS.

Of more than 1,200 vessels accepted by the U. S. Government for Naval Coast Defence Reserve, only 12 are fit for immediate service, because of lack of men to man them and failure of government to provide modern guns.

ALLIED SHIPPING RELEASED.

Approximately 90,000 tons of allied shipping tied up in Gulf of Bothnia since beginning of war will be released as result of an agreement between Great Britain and Sweden. Sweden obtains as its part of the bargain the release of its ships, laden with foodstuffs and other necessities, which have been detained in British harbors.

THE SUBMARINE TOLL.

Three hundred and seventy-one British vessels have been sunk in the three months since the Admiralty began issuing statements without giving the tonnage of vessels. In that period over 65,000 vessels have entered or left British ports.

Of the ships sunk 250 have been of over 1,600 tons, 113 have been below that tonnage, and 108 have been fishing craft.

SCRAPING THE VATERLAND.

Because there is no dry dock large enough in the United States to accommodate her, the Vaterland is being scraped by the listing method. Water ballast tanks on opposite side and piles of steel weights on deck force a list and permit cleaning. Divers will be sent down to scrape steel plates of the bilge.

OPPOSED TO SMALL SHIPS.

Committee of Manchester, Eng., shipping men, in opposing building of small ships, says that comparing ships of 2,000 and 16,000 tons displacement, carrying 650 and 8,675 tons cargo respectively, and taking north Atlantic passage as a basis, there would have to be built each year 2,460 of smaller ships, and only 185 of the larger. Smaller ships would cost £111,000, 000 and larger only £46,000,000.