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The Journal of Commerce

MONTREAL, CANADA

VOL. XLVII, No. 51

GARDEN CITY PRESS, DECEMBER 23, 1919
Ste. Anne de Bellevue, Que.

PRICE, 10 CENTS

The Hide and Leather Industry of Canada

A HISTORY AND AN ANALYSIS



Why Is There Not More For Everybody ?

By J. W. MACMILLAN



Prospects For a Steel Industry In Western Canada

By F. W. GRAY



Getting Canadian Trade Into S. America

By H. J. FULLER

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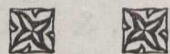
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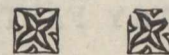
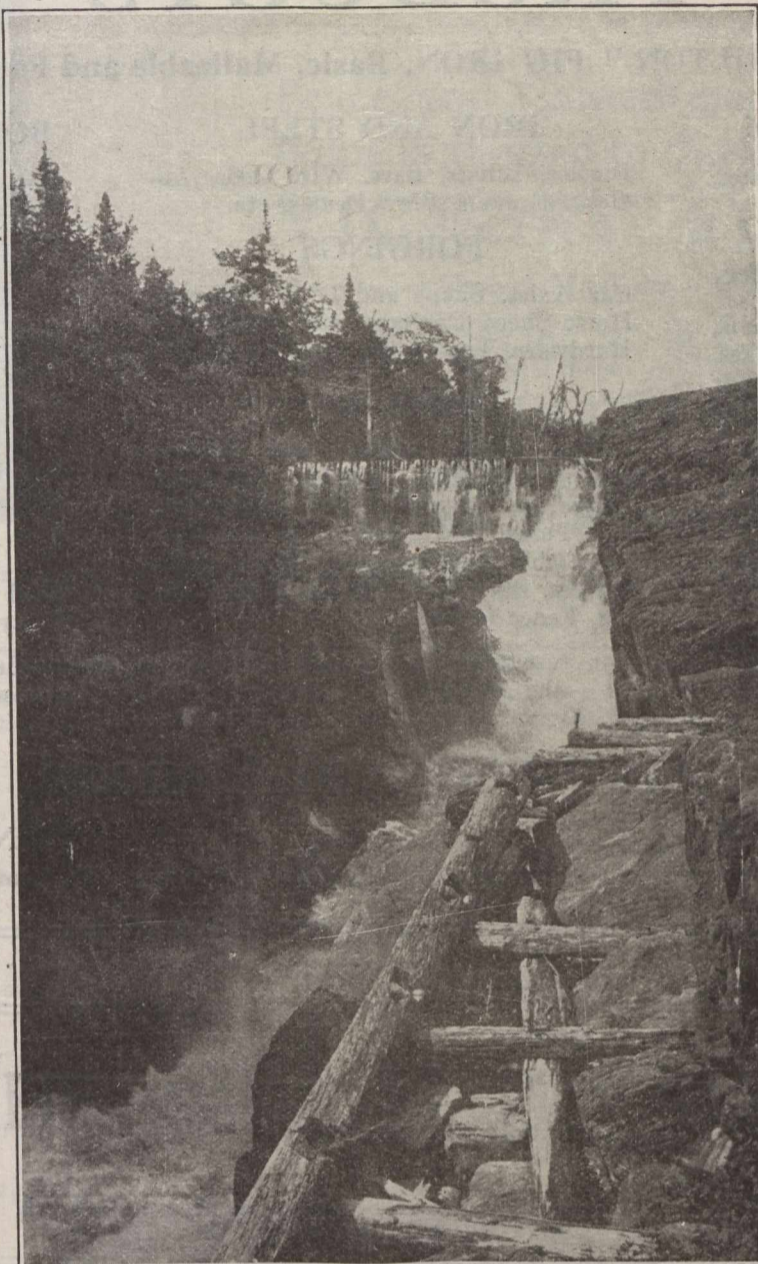
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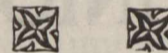
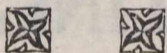
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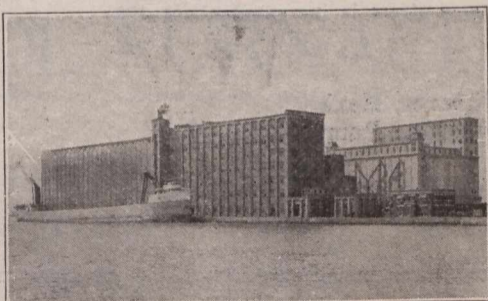
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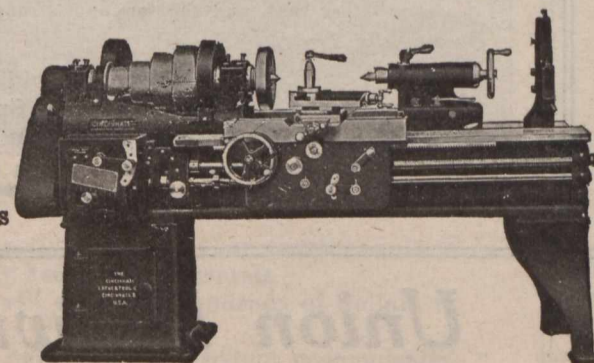
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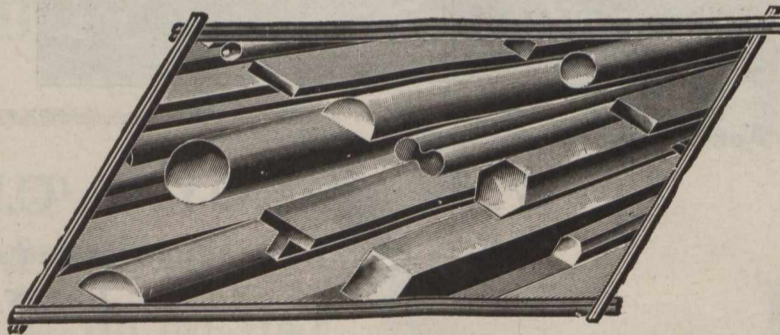
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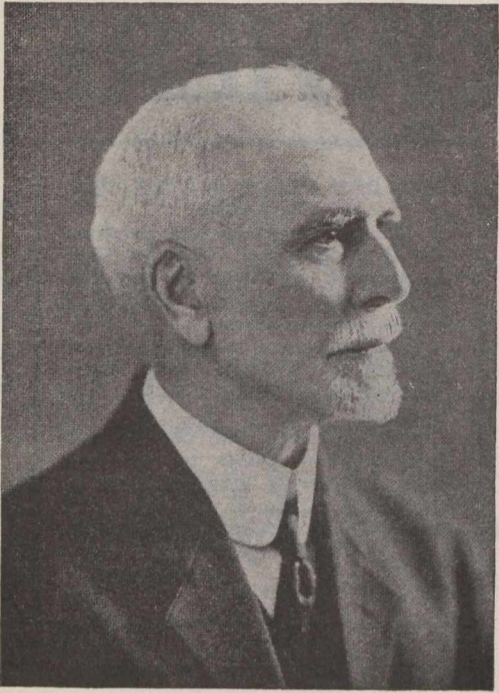
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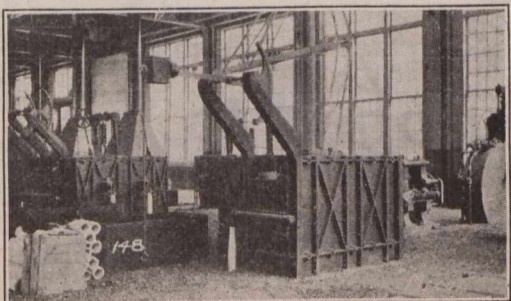
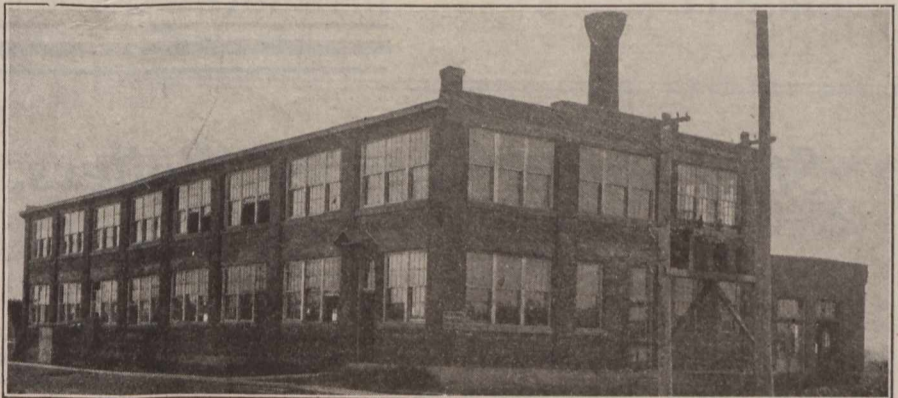
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C. E. NEILL, General Manager M. W. WILSON, Supt. of Branches

1919

*Statement to the Dominion Government
(Condensed) showing Condition of the
Bank on July 31, 1919*

LIABILITIES.

Capital paid up	\$ 16,144,550.00
Reserve Fund	16,397,275.00
Undivided Profits	535,757.19
Notes in Circulation	34,412,062.74
Deposits	333,318,713.02
Due to other Banks	8,367,900.08
Bills Payable (Acceptances by London Branch)	504,744.27
Acceptances under Letters of Credit	11,607,490.78
	<u>\$471,288,493.09</u>

ASSETS

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

*595 Branches in Canada, Newfoundland, West
Indies, Central and South America, etc.,
distributed as follows:*

Canada	520
Newfoundland	8
West Indies	54
Central and South America	9
Spain (Barcelona)	1
U. S. A. (New York)	1
Great Britain (London)	1
French Auxillary (Paris)	1
	<u>595</u>

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The Journal of Commerce

MONTREAL, CANADA

VOL. XLVII, No. 51.

GARDEN CITY PRESS, TUESDAY, DECEMBER 23rd, 1919.
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HON. W. S. FIELDING,

President and Editor-in-Chief.

B. K. SANDWELL, Managing Editor

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What Shall the Reservations be?

IT is a curious fact that the two political parties at Washington are now disputing as to which of them is responsible for the rejection of the Peace Treaty. Considering the zeal which Senator Lodge and his associates manifested in opposing the treaty it seems strange now to find them accusing the Democrats as the party responsible for the refusal of the Senate to agree to ratification. "You Republicans fought against the treaty and defeated it," say the Democrats. "Oh, no," says Senator Lodge, "we were willing to ratify it, with reservations, and as you refused to join us in that course you are responsible." The dispute proved too much for the stalwart Republican, Senator Borah, who advised his Republican friends to cease "pussyfooting" and accept the responsibility. For himself, he said, he was proud to acknowledge that he had done his utmost to defeat the treaty and he meant to continue to do so. While we may admire the frankness of Senator Borah, the fact that Senator Lodge and many of his Republican associates are trying to fix on others the responsibility of the rejection may be taken as an indication that they are afraid they have been running counter to public opinion, and that they are anxious to find some ground of agreement that will prevent the treaty becoming a party issue in the Presidential election.

The conviction seems to be growing that the treaty must not be finally rejected. Each party seems to be waiting for the other to move. Mr. Lodge and his friends claim that the President and his supporters are bound to present reservations that they are willing to accept. The President practically says that he has nothing to propose, that having submitted the treaty he has done his duty. It is observed, however, that though the President takes a stand pat position, his intimate friend, the Democratic leader in the Senate, Mr. Hitchcock, in a recent speech suggested reservations which he thinks might be accepted. Here they are:

1. That the domestic affairs of the United States are never to be taken under the jurisdiction of the League.
2. That the Monroe Doctrine is to be unaffected by the provisions of the League.

3. That if the United States is engaged in a dispute with any nation having self-governing colonies, dominions or parts, each with a vote, all of those votes are to be disqualified just as the vote of the United States is to be disqualified.

4. That the powers of Congress to declare war remain unimpaired.

5. That the League has no control over the American Army and Navy.

6. That the United States, if it should desire to withdraw from the League, is to be the sole judge of whether it has performed its obligations so as to give it the right to withdraw.

Senator Hitchcock would hardly propose these reservations if he felt that the President was not prepared in the end to accept them. There will be much jockeying for position, much dispute as to who should make the first move; but in the end the treaty will be ratified, and probably these reservations or something very like them will be the basis of the agreement that will be reached. The Republicans will plead the reservations as their justification for assenting to the treaty. The Democrats will comfort themselves with the view that the reservations mean nothing of importance.

Prosperous Quebec

HON WALTER MITCHELL, Treasurer in Sir Lomer Gouin's Government, had a pleasant task last Wednesday, when, in the customary budget speech, he gave the Legislature a statement of the affairs of the Province of Quebec. He was able to present a record of comfortable finance along with one of vigorous progressive government. For the last fiscal year he had estimated an expenditure, "ordinary and extraordinary," of a little more than ten million dollars; the actual expenditure reached \$12,272,675. But this increase was more than balanced by the revenue, which had been estimated at \$10,293,484, and reached \$12,666,352, leaving a comfortable surplus of close upon three hundred thousand dollars. The revenue of the Province shows a gratifying increase. That of the last year is the largest on record, except that of 1917-18 when there were unusually large receipts from succession duties. The total debt of the Province stands at \$43,-

965,512, with assets valued at \$10,930,221, leaving the net debt \$33,035,290. In later years at all events the debt has been incurred for works that are of substantial value in the development of the Province, a fact that is well recognized in financial circles, where the credit of the Province stands deservedly high. Nearly nineteen million dollars has been expended under the Good Roads Act of 1912. In the good roads movement Quebec stands ahead of all the other provinces. Quebec's agriculture is prosperous, and on the industrial side the Province has been making great progress, with so little of the unrest that is found elsewhere as to make Quebec's position in that respect the occasion of widespread congratulation.

P.E. Island Mail Service

COMMUNICATION between Prince Edward Island and the mainland of Canada was for many years a troublesome question. The Islanders pointed out that the promise of efficient continuous steam communication was one of the conditions under which the Island entered Confederation, and demanded the fulfilment of the bond. The summer service was easily provided. For the winter the Canadian Governments provided expensive ships, but they were unequal to the ice conditions and the irregular connection was a cause of constant complaint. Then came the tunnel scheme. There were politicians ready to promise the tunnel in return for political support, but when, at a later period, they obtained power, the tunnel project was not revived. Ultimately it was decided to meet the difficulty by providing a winter car ferry service between "the Capes." A costly steamer was built, and expensive terminals constructed. The steamer proved very efficient. At last it was thought a service was provided which would meet the Islanders' wishes. After such a history as this, it is surprising to find that once more complaint is made that the Island is being neglected, that the promised efficient steam communication is not provided. A member of the Provincial Government, Hon. F. J. Nash, has written in the Charlottetown Patriot a vigorous assault on the administration of the service. No fault is found with the steamer, or her commander, or the terminal facilities. The complaint is that the railway authorities, under whose charge the service comes, are not using the facilities available, that the steamer is laid up when she could be making the crossing, and that consequently mails and passengers are detained for an unreasonable and unnecessary time. For twenty hours each day, during eight months of the year, the statement is made, mails and passengers are detained at Sackville, N.B.

The railway men's side of the story we have not seen. Unless there are very strong reasons for a different course the authorities should give the people of Prince Ed-

ward Island the full benefit of the expensive equipment which the country has provided. The service is a vital one for the Island. The people will not be unreasonable in expecting that every possible effort shall be made to establish and maintain the continuous efficient communication for which the terms of union call.

Message for the Times

"I heard the bells on Christmas Day
 "Their old familiar carols play
 "And wild and sweet the words repeat
 "Of peace on earth, good-will to men."
 Peace—Goodwill. The simple is sublime. Man and child can understand the essential spirit of Christmas, with its love and service in tokens of affection and regard.

The good is beautiful:

"At Christmastide the open hand,
 "Scatters its bounty o'er sea and land,
 "And none are left to grieve alone
 "For love is Heaven and claims its own."

"Home, the spot supremely blest, a dearer, sweeter spot than all the rest," has been dowered with priceless blessings by the Angel's song, and the glad message of peace and goodwill make Christmastide an annual festival of the heart, when the aged become young in the joy and gladness of the precious children, and within the family circle a joyous peace reigns through a gracious manifestation of goodwill. In the wider circle of friendship and social life, the better and the best are evinced in a gracious spirit of kindness and heartfelt sympathy, when to live is a delight, for "the day-spring from on high hath visited us." Love is life. Burne-Jones, the painter, has depicted the figure of Christ on a wayside cross-roads in France stooping down to kiss the forehead of a knight. The legend upon which the painting is based is that this knight met on the way his worst enemy and forgave him. As the knight knelt to pray at the cross-roads, Calvary, the figure of Christ suddenly became living and, for the Christmas charity displayed by the knight, kissed him upon the forehead. "Peace and goodwill."

"There is a Divinity that shapes our ends, rough-hew them how we will." "For unto us a child is born, unto us a son is given, and the Government shall be upon his shoulder, and his name shall be called Wonderful, Counsellor, the Mighty God, the Everlasting Father, the Prince of Peace."

In this time of a world's great unrest, that is the rainbow that arches all clouds, imparting hope and confidence. For amid the Babel sounds of today, the conflict and perturbation out of all, we must realize and in confidence believe that "He who is never before His time and never is behind" will evolve a greater good and bring in a peace which shall be all the sweeter for the discords that had preceded it.

With the dawn, the anticipation of Christmas, has come brightness and gladness by

the welcome visit of the greatly honored Prince of Wales, who in thought and spirit has given to us and to our great neighbor on our border the glad Angel's message. He embodied it, expressed it in his genial, kindly spirit, gracious ways, and ardent desire to manifest lasting goodwill towards each and all, that life might glow with the blessedness of real well-being, in a service of real well-doing. "Blessings be on him and immortal praise, who gave us nobler loves and nobler cares."

Indian Home Rule

"IT is the proudest day of my life," said Mr. E. S. Montagu, Secretary of State for India, when the Indian Home Rule Bill passed the British House of Commons a few nights ago. Mr. Montagu has just cause for satisfaction. He tackled one of the hardest tasks that ever fell to a British Minister, and he has so far made a success of it. Britain's fairly successful government of the four hundred million people in India has been one of the marvels of the age. The story is darkened by the dreadful events of the mutiny, but since the stern suppression of that rising India has been comparatively tranquil. Unrest in some quarters there has always been, and something of the kind is to be expected in the future. But the educated classes in India—ever increasing under the policy adopted—have had abundant evidence of the desire of the British Government to give the country the blessings of peace and progress. Modifications of the laws respecting the governing of India have been made from time to time. The visit of the King-Emperor to India a few years ago—a step that gave many Englishmen grave anxiety—proved a valuable influence in retaining the confidence and support of the native Princes. Mr. Montagu as Under-Secretary for India when the Secretary (Lord Crewe) was in the House of Lords had to take upon himself the responsibility of handling Indian affairs in the House of Commons, an experience which was of great value to him when he came to the office of Secretary for India in the present Government. He signaled his entry upon the higher position by announcing the intention of the Ministry to give India a measure of Home Rule. To enable him to study his problem closely he went out to India and in conjunction with the Viceroy, Lord Chelmsford, prepared an elaborate report, recommending a considerable enlargement of the powers of the Indian Government. It is this project, with some amendments made by a joint committee of the two Houses, that is now likely to become law. The scheme perhaps would not be called Home Rule in a democratic country, for it certainly does not provide for self-determination. But nobody who has seriously studied the question imagines that the principles of responsible government can be fully applied to India at present.

Wheat Policy Still Undecided

Western Opinion Sharply Decided and Grain Board Reti-
cent As to Its Intentions—Milk Problem in West
is Serious—Christmas Trade Active

By E. CORA HIND.

Winnipeg, Man., December 20.—The attention of the West has been mainly centred on Christmas, and Christmas shopping, and among the interesting things to be noted are the number of articles which were not procurable during the war that are now to be found in the best shops. Among these are Spanish raisins, Turkish figs, Roquefort Cheese, Swiss Cheese, Peak and Frea. Huntley and Palmer and Carr's biscuits, Grecian currants and British hothouse grapes. Nearly all of these luxuries are extremely high in price but they are finding purchasers, though necessarily in very limited quantities.

The meat markets are extremely well supplied with very choice stuff but the egg and butter markets are bare and anything that can be truthful styled new-laid eggs can be sold for \$1.50 per dozen while butter is 75 to 80c per pound. Importations of southern vegetables are much curtailed by rate of exchange.

The commercial editor of the Manitoba Free Press has run an interesting story of markets in Winnipeg in the year 1882 which may not be without its interest for eastern readers. It is in the form of notes from a diary and runs:

Christmas 1882.

"In the early eighties the mecca of all Christmas shoppers was the city market and the Hudson's Bay. Those were the days when the Koblolds, the Gallaghers and the Holmans led the van in meats and vied with each other in the procuring of the very choicest quality and arranging a display that people literally and truly went miles to see.

"In 1882 the choicest of the beef came in from old Ontario and the mutton, of which the display was somewhat limited, was from that province also, but the hogs were home grown and have not been surpassed even in later years. The feature however, of the market stalls of 1882 was the abundance of game, both large and small. Buffalo, bear, elk and moose carcasses with the hides still on hung in profusion, while interspersed were prairie chicken, partridge, wild duck, wild geese and rabbits galore. Here is a list of prices for what are now unattainable dainties: Buffalo, 18 to 20c per lb.; bear, 30c; elk, 20 to 25c; moose, ditto; prairie chicken, per pair, 50c.; partridge, per pair, \$1. No quotations on the wild turkey, but the domestic variety retailed at 20c and chicken at the same price. Butter, creamery, from Ontario, was 32 to 38c., according to grade; eggs, 30 to 35c. per dozen, but these were Ontario storage eggs; potatoes were 85c to \$1 a bushel; frozen milk, stacked up in big cakes, was 15c a pound.

"Nor were imported luxuries lacking. California pears were only 25 each, apples, \$7 a barrel. Marsh cranberries from New Jersey \$16 a barrel. Malaga grapes \$11 per cask, Spanish onions \$10 a case, and oranges \$14 to \$15 a case. Tea was 60c to \$1 a pound. Oysters and B. C. salmon are reported as on the market but no prices given. It is difficult to figure how the B. C. salmon got here, it must have come round by the States."

The Milk Situation.

The milk situation is growing very acute. So far the Board of Commerce has not dared to embargo butter to lower the cost and increase the supply of milk. Possibly someone has at last convinced those autocratic gentlemen that so far from improving matters the embargo would make them worse.

The most interesting development is the stand being taken on the question of milk supply by

the organized farmers of Manitoba. They have done the first sensible thing that has so far been attempted, namely to get the producers together. This meeting will take place in Winnipeg tomorrow and it is among the possibilities that supplying milk may yet be included in the activities of the United Farmers.

Of course one of the immediate causes of the reduction in supplies is the large number of cows allowed to be sucked by their calves and then go dry, during the strike last May and June. Added to this, the lowering of the price or rather the fixing of the price by the Board of Commerce has caused thousands of cows to be sent to the shambles. In fact for the last three months a conservative estimate of the number of cows going for slaughter on the Winnipeg yards alone would be 200 a day, and on many days the numbers have run to three hundred and over. It will take time to replace this loss, more especially as not only mature cows, but young heifers and heifer calves have all met the same fate.

When it is born in mind that a heifer calf dropped to-day will make no contribution to the milk supply for at least two years and seven months, some idea of what it means to actually increase the milk supply can be gathered.

Wheat Movement Unchanged.

The American embargo on our wheat was lifted Monday but so far there has been no apparent effect so far as western Canadian markets are concerned. The chairman of the Canadian Grain Board has been in the east and is only now reported on his way to Winnipeg. The Vice-Chairman, F. W. Riddell, absolutely refuses to make

any statement as to the Board's probable action in the matter until his return. From other sources it is learned that so far the Board has not secured sufficient to fill contracts already made for Canadian wheat. There is evidently wide divergence of opinion between members of the wheat board, the millers and the farmers themselves. Col. Frazier, a member of the Wheat Board, is emphatic in stating that our wheat should go to the United States. The Saskatchewan Co-operative Elevator Company, a purely farmers' organization, passed a resolution at its annual meeting asking that farmers be not permitted to send their wheat over in car lots. Sir George Foster claims that the price of milk will be increased if whole grain is allowed to go over instead of being milled in Canada and the feed retained here, yet within the past few weeks the Canadian mills applied for permission to ship bran and shorts to the States claiming no market in Canada.

A recent meeting in Winnipeg of the representatives of the United Farmers of Ontario, the Co-Operative societies of Quebec and representatives of the farmers' organization and the terminal elevator interests of the west showed that there was a decided feed shortage in all Canada and that there would be no additional supply of screenings available for some time, and it was assumed at that meeting that where screenings might have been used, bran and shorts, even if higher in price, must be substituted for a time at least. It is apparently a case of "doctor's differing."

The long, and, for the time of year, exceptional cold spell has broken, and this has stimulated business in nearly all lines. Whatever may come later in the winter the trade for Christmas has been exceptionally active.

Elaborate preparations are going forward for the annual meetings of the various branches of the organized farmers. The Manitoba meeting comes early in January and it is expected that 1000 delegates will be in attendance at Brandon. The Alberta U. F. A. meets the third week in January and the Saskatchewan Grain Growers in February. At all of these gatherings the political aspect is expected to be especially in evidence.

Cuban-Canadian Sugar Company

Following the forecast made some days ago that steps were being taken to direct the investment of a large amount of Canadian capital into Cuban raw sugar production, definite announcement comes from Royal Securities Corporation that the Cuban-Canadian Sugar Company is being incorporated under the laws of the Republic of Cuba, with a capitalization of \$4,000,000 of 8 per cent cumulative preferred shares and \$5,000,000 of common shares.

The Cuban-Canadian Sugar Company owns a large sugar estate and factory with its own railway and port facilities at Ingenio Rio Cauto, in the Province of Oriente, Cuba, having acquired a property which has profitably operated for some years past. Owing to serious decline in the world's production of beet sugar, the Cuban cane sugar supply will be called upon to make up the deficit in so far as this is possible, and already the price of raw sugar has risen from the normal level of two cents per pound to over eight cents. It is at this opportune time that the Canadian enterprise enters the field. A conservative estimate of the profits of the Cuban-Canadian Company for the fiscal year ending Sept. 30th, 1920, sets these at \$1,127,000, which would not only meet the preferred dividends, but leave 16 per cent available for common stock.

The production of the company has tripled in the last four years, and since the grinding of last year's crop large sums have been expended to increase the company's output and lower the costs of production. With the world shortage not

likely to be relieved for several years to come the company is now in a position to take full advantage of unusually favorable conditions.

It is understood that more than \$3,000,000 of the \$4,000,000 of preferred shares have already been placed privately with clients of Royal Securities Corporation. A public issue is to be made about the first of the year and it is understood that a substantial bonus of common shares will be one of the features of the offering.

Winter Sports

The "Highland Inn" situated in Algonquin Park, 285 miles west of Montreal and 2000 feet above the level of the sea, offers first class accommodation as reasonable rates for those desiring a quiet retreat where snow-shoeing, ski-ing, tobogganing and skating may be enjoyed to the hearts content. Indoors, crackling logs blaze in the open hearths, and the outdoor life gives you an appetite for the good things that an exceptional cuisine provides. The Inn is owned and operated by the Grand Trunk Railway. An illustrated booklet telling you all about it can be had free by applying to Mr. M. H. Dafoe, Grand Trunk Ticket Office, 122 St. James Street, Montreal.

A selection committee of Canadian farmers will be in England in January to select suitable settlers for the farm lands of Canada. It is said that their coming is eagerly awaited by many ex-service men.

Why Is There Not More For All

Process of Invention, Which Was to Have Endowed the World With Universal Plenty, Has Left It Apparently With a Universal Shortage of the Most Necessary Articles

By J. W. MACMILLAN

A correspondent asks me why it is that there is not plenty in the world for everybody. He points to the enormous increase in production by the use of machinery, which we should have supposed, and indeed the ardent individualistic philosophers of a century ago did suppose, would have provided enough and to spare for every person within reach of civilization. Yet there is scarcity in every land, and at least a tenth of the people of the most progressive countries, as the experts estimate, are on or below the poverty line. He says, "The proposition almost narrows down to the fact that every so-called advance in our methods of production and distribution is a failure as regards what ought to be the true object of improved processes; viz.: the increase in the comfort and happiness of the race at large."

Such comments have also been made by men like John Stuart Mill, Huxley, Ruskin and the late Earl Grey. It is good for us, in these days of riotous spending, to be recalled to sober thinking by plain statements of the failure of our industrial order to meet the needs of humanity. Moreover, we are in a period singularly favorable for new adjustments. Old habits have been broken up. The tides of pity and resentment at wrong which mounted so high during the war are still flowing. The world is willing for a new deal. Tradition has been discredited as never before. Between the two extreme factions, one of whom is comfortable and has no thought but to sit tight, and the other of whom is sore and has no thought but to smash things, there are to be found the great mass of humans who are readier than ever before to do right by the weaker and poorer classes. The first information they need is that which my correspondent asks for. I shall try, as far as I am capable of doing so, to supply this information.

The One-Idea Panacea

Let it be remembered that in this, as in all human problems, the answer is not a simple one. Human life is extremely intricate. Nothing hinders progress more among the great bulk of our populations than their eager desire for simple and exciting ideas. Thus they are easily misled by one-idea enthusiasts who have a patent panacea for all human ills. As a rule, the panacea has a glimmer of truth in it. It emits a spark of light, and human eyes are more inclined to turn and gaze at one rocket which blazes in a dark sky than to view the diffused radiance of the sun. I know that my diagnosis of the short-comings of the present industrial order will be less interesting because it is more detailed. But I hope that it may, nevertheless, be nearer to the truth.

First, then, it is to be remembered that along with the increase of production has gone an increase of population. If supplies are greater, so are consumers. The law of numerical increase of population is that it tends to press up to the limits of subsistence. The food supply determines, more than anything else, the number who share it. I do not believe that population, since the industrial revolution, has increased as rapidly as production has. But it has increased materially, and thus part of the gain in the amount of provision for mankind has been taken up. The number of people living in Europe trebled three times between the end of the seventeenth century and the end of the nineteenth century.

There were five million inhabitants in England and Wales in the year 1700, nine millions in the year 1800, and thirty-five millions in the year 1900. The population of the United States grew from five millions to over ninety millions during the nineteenth century. It will be seen that production had to increase a great deal in order to overtake such a gain in population.

Second, a large amount of the goods produced is required to replace and augment the stock of capital goods. One of the essentials of large scale production is the existence of capital, which can be gotten only by saving. If some of the results of human energy take the form of food and clothing which perish with the using, other results take the form of buildings and machinery, which are necessary for further large-scale production. Thus another slice is accounted for.

Third, there has been a steady rise in the standard of living for all classes. The schedule of what is considered necessary for wholesome living has lengthened. We feel that we must have much that our grandfathers did not have; meat every day, changes in raiment, bathtubs, amusements, insurance, and the like. This is a healthful sign. It means longer lives, more self-realization, and a juster estimate of what is fit and becoming to human beings. If the present generation were content to "live as men did a century ago we should not have to blame the machines of an industrial age so severely. Thus a third slice of the mass of goods produced is accounted for.

Fourth, there is the undeniable fact of inequality of distribution. If some have not enough, others have more than enough. Neither the family of mankind, nor the family of any nation, nor the family of any village or township, acts as a family should. The home is not fairly shared amongst the members of these several families. Some of the sons and daughters are couched in silk in spacious chambers, while others are closeted under the stairs or shiver in the woodshed.

It is not a pretty sight for the angels, if there are any angels left, but it exists. And it accounts for another slice of the loaf of production failing to reach those who need it. Yet the slice is by no means so big as some think, nor are the "swollen rich" the class which has absorbed the greater part of what might have been given to the poor.

Statistics are often published setting forth the ownership of wealth, by which a very few appear as possessors of great fortunes, while the many have nothing. These statistics are true. But they do not apply to income. The inequalities of income, while great enough, are not comparable to the inequalities in ownership. Ten per cent of a country's population may hold title-deeds to three-quarters of the wealth of the country, but they do not eat three-quarters of the food of the country, nor anything like it. Nor is all their income anything like three-quarters of the national income. It is somewhat comforting to know that ownership is only so far effective, and that the dominance of wealth, big and dangerous as it is, does not reach an absolute extreme.

Besides, the huge incomes are not so numerous. If their excess above the average were divided among all it would add very little to what any one would receive. Even the incomes of the second rate, when added together, are not enough

to account for much of the poverty of the world. It is the income of the ordinarily well-to-do which gets the lion's share of the excess above the average. If some ukase were issued and enforced that every family in Canada should receive the same revenue in a given year, the biggest portion of that which those who had previously been below the prescribed level would receive would not come from the millionaires, nor from the highest salaried officials in big business and the more prosperous merchants and professional men. It would come from the higher-paid artisans, the moderately successful merchants, doctors, lawyers and dentists, and the few prize winners in the teaching and preaching callings. The reason is, of course, that there are so many more of this sort. And the inference is that the poor among us cannot possibly be lifted into comfort by lopping off the surplus incomes of a few envied and hated men of affluence. Something more heroic must be done, either by decimating the moderate incomes, or by increasing production, in the correction of the inequalities of reward.

The Mass of Non-Essentials

Fifth, and last, and most important, is the amount of energy, time and capital which is devoted to the production of non-essentials. This class of commodities is to be sharply distinguished from those which have gone to raise the standard of living. I am not now referring to better and more varied food, to warmer and seemlier clothes, to roomier and more substantial houses, to wholesome books and rational amusements. I am referring to luxuries, to things which contribute nothing to the upkeep of life, though they may have a certain amount of justification as refinements. At the same time, in any community which has a decent sense of neighborliness in it, the amount of refinement for any will wait until the necessities have been secured for all.

It is true enough that the poor waste money. But they have the greater temptation. Their work is monotonous, and their homes narrow, and their education truncated—what else would you expect? But they do not waste relatively as much as those with bigger incomes. So many studies of expenditures of small incomes have been made, in many countries, that the certainty amounts practically to a law, by which the smaller the income the more goes for food and the less for any sort of "extras." As the income increases the amount spent on luxury and amusement increases, both absolutely and relatively. Before we blame the poor let us correct our own misdemeanors.

One has but to walk through the main streets of any town and gaze into the shop windows. Somebody is buying all these flamboyant and unnecessary things. Then let him consider the movies and allied amusements. Let him recall his boyhood, spent in city or country, and contrast his own present expenditures with those of his father. He need not take the stern Puritan position and condemn all taste and sport. But he is surely justified in deploring a diversion of the productive efforts of the community to an over-production of luxuries while the supply of necessities is short.

It is not uncommon to see the prices of luxuries remain constant, or even fall, while those of foodstuffs and clothes are rising. Whether the explanation be that the class who can afford to be indifferent to the price of necessities, and who are chiefly concerned about the luxuries, are in command in industry; or whether it be due to the expanding and ill-directed desires of all alike; the fact undeniably is that if the time, intelligence, energy and shrewdness which now goes into the making of things which the world could very well do without were directed to increasing the quantity of staple necessities there would be bigger stocks and lower prices in respect of the things which the poorest lack.

Unearned Increment Tax

Western Municipalities Are Trying to Get It Into Scientific Shape—Modern Ideas in Municipal Finance Are Making Rapid Headway

By THOMAS ADAMS, Town Planning Expert of Conservation Commission.

As a result of proposals submitted to the Alberta cities of Edmonton, Calgary, Lethbridge and Medicine Hat by the Town Planning Adviser of the Commission of Conservation, definite progress has been made by these cities in formulating city planning schemes to deal with the problems of assessment and taxation in their outlying subdivisions. The matter is very complicated and involves discussion of numerous overlapping details in connection with city administration. In spite of this fact a clear and definite policy has been settled between the four cities. Should their views prevail and schemes be inaugurated on the lines they have improved, they will be responsible for carrying out an interesting experiment of far-reaching importance.

The question now rests with the Public Utilities Commissioners of the Province and it is hoped that they will have the courage to put the matter to the test.

The proposals of the four cities are outlined in resolutions, passed by each city, which may be summarized as follows:

1. Each city is to be divided into an inner, or residential, area and an outer, or agricultural, area; the boundaries of these areas are to be fixed by the city, with due regard to present and future development and subject to the approval of the Utilities Board.

2. No new plants of subdivisions are to be permitted in the agricultural area except in cases where land is ripe for building, the idea being to encourage cancellation of existing subdivisions where they have been promoted for purely speculative purposes; no utilities except those required for engineering or general public reasons are to be extended into the agricultural area; the lands in the agricultural area are to be assessed at their real value for agricultural or similar purposes; such assessment is not to exceed \$200 per acre for a period of five years. Further, a reduction of not more than 40 per cent is to be made in the tax rate for lands in the agricultural area, no reduction on back taxes being made, although an extension of time for payment is given.

3. Provision is to be made for collecting the unearned increment on suburban lands in the following manner: On the first sale after the date of assessment on the basis of land in an undivided area, a calculation is to be made of the increase in value, if any, by comparing the original assessment with the sale prices and with the average of the annual assessments during the intervening period. On each subsequent sale a similar calculation will be made of the increase since the previous sale. One half of the increments thus shown is to be collected by the city. This process is to continue until the land becomes included in the urban area or is assessed as urban land.

One or two of the cities differ with regard to parts of the above scheme so far as they relate to the reduction of the assessment in the agricultural area but there does not appear to be any difference with respect to the principles of the scheme or the application of the unearned increment tax.

There is some difference of opinion, however with regard to the amount of the 'unearned increment' tax, some citizens taking the view that 50 per cent is too high and others that it is too low.

If the scheme is carried out it will be of interest to watch the effect of applying

the tax on unearned increment on land in such a city as Edmonton which has previously experimented with the system of confining taxes to land values only.

Winter Sports

Many reservations are being made for the Christmas holidays at the "Highland Inn," Algonquin Park. This popular hotel situated two thousand feet above the level of the sea, offers first-class accommodation at reasonable rates for those desiring a quiet retreat where all the winter sports, including snow-shoeing, ski-ing, tobogganing and skating may be enjoyed to the heart's content. Indoors, crackling logs blaze in the open hearths, and the outdoor life gives you an appetite for the good things that an exceptional cuisine provides. Two hundred and eighty-five miles west of Montreal and one hundred and seventy miles west of Ottawa. The Inn is owned and operated by the Grand Trunk Railway. An interesting illustrated booklet, telling you all about it, can be had free by applying to M. O. Dofoe, Grand Trunk Ticket Office, 122 St. James St. (opposite the post office) Montreal.

News of the Week.

The Dominion Iron and Steel Company have received an order for 700,000 tons of rails for Roumania.

The report that Canada has received \$35,000,000 profits from the overseas canteens is declared to be unfounded.

Canada is negotiating with Belgium for the supplying of locomotives to Belgian railways. The Canada Car and Foundry have been negotiating for the supply of cars to Belgium but it is not known with what success.

The Montreal Civic Administrative Commission has informed the Police Union that it declines to go to arbitration over a new wage scale for policemen. Increases have been granted which do not satisfy the demands of all the policemen, who are agitating for arbitration.

The Canadian National Carbon Company and the Prest-O-Lite Company of Canada have jointly purchased a site for a plant at Toronto. The new plant will be one of the largest erected in Toronto for some years and will consist of two buildings, one of which will be 80 feet wide by 400 feet long, two storeys high, with one section 80 x 80 three storeys high, to be occupied by the Canadian National Carbon Company, while the second building for the Prest-O-Lite Company will be 80 feet by 400 feet long and two storeys high. The contract for this plant has been awarded to Messrs Wells and Gray, Limited, a purely local Canadian company.

A New Poem for "O Canada"

By HON. W. S. FIELDING in the January Canadian Bookman

I have heard the song "O Canada" criticized on the ground that for a national song it was too distinctly Canadian, that it lacked an Imperial note, and this point was deemed of some importance at a time when the whole Empire was straining every nerve in the war against a barbarous enemy. I am far from agreeing that the criticism was just. The Englishman, the Scot, the Welshman, or the Irishman is not deemed less loyal to the Empire when he sings of the beauty or the glory of his particular portion of the Kingdom; nor should anybody lack appreciation of the singing by Canadians of "O Canada!" either in the original French form of Hon. Mr. Justice Routhier, or in the form of one of the several English translations that have been made. Out of the criticism, however, this thought came to me: Why should not the stately music of Mr. Lavallée, with which all Canadians are now familiar, be the vehicle of a song at once Canadian and Imperial—a song of Canada, telling of the beauty of its scenery, the richness of its resources, the charm of its history, and, withal, the pride which Canadians feel in their citizenship in the British Empire? The accompanying song is presented as an endeavor to respond to the question:

A new "O Canada"

O Canada* 'neath Northland's brightest skies,
From loving hearts our songs of praise arise.
What grandeur in thy rugged heights,
What charm in wood and stream,
What beauty in the myriad lights
That in thy heavens gleam!

Refrain:

O Canada! let heart and hand
Yield loyal service in this freeman's land!
For freemen's rights and freemen's duties
stand!

O Canada! where health and wealth intwine,
Where Northern blasts bear fragrance of the
pine!

From soil and mine and lake and sea
Come riches for thy dower,
Cascade and river joyously
Bring wondrous gift of power.

O Canada! thy page in story glows
With chivalry of fleur de lis and rose.
Adown the vista of the years
Heroic forms advance,
In light and shadow, smiles and tears,
The flower of Albion-France.

O Canada! thy sons will proudly share
Service that links with Empire's world-wide care.
Britannia's far flung lands are bound
With slender silken cord,
Yet strong as steel the tie is found
When foes take up the sword.

O Canada! for thee the day-star beams,
Youth visions see and elders dream their dreams.
An Empire's splendor thou canst share,
Thy wealth is labor's crown,
Shall not a land so rich and fair
Win honor and renown?

O Canada! may we our trust uphold!
Life's minor things must not our hearts enfold.
Not all the wealth of earth and sea
Can win thee worthy fame,
If service of our God and thee
Be not our highest aim.

*For adaptation to the music, the French form of the exclamation "O Canada!" is retained, the accent falling on the last syllable.—This poem is reprinted in order to correct a number of errors which appeared in it in last week's Journal of Commerce.

Royal Bank Assets \$533,000,000

Over Half Million Added to Profit Balance In Spite of
2 p.c. Bonus After 12 p.c. Dividend—
A Magnificent Showing

As predicted in these columns a week or so ago, the annual report of the Royal Bank of Canada, made public on Friday, for the year to November 29, shows assets well in excess of half a billion dollars, being indeed \$533,647,000. Profits for the year were \$3,423,266 of \$3,166,858 after deduction of war tax and pension fund. This represents a net profit of 20.4 per cent on the average capital banking for dividends. The dividend is 12 per cent and the bonus this Christmas accounts for 2 per cent, while \$400,000, or about 2½ per cent is written off premises. The usually large sum of over \$500,000 is added to the balance carried forward, which is now \$1,096,418, and suggests an intention either to add to Rest Account, which is already at par or to increase the dividend distribution next year. Capital and Rest Account are now \$17,000 each. The capital was increased by \$3,000,000 and the Rest by \$2,000,000 during the year, while total assets increased by more than \$106,000,000. This is the fiftieth statement of a full year's business since the foundation of the bank.

The balance sheets of the last two years compare as follows:

ASSETS		
	1919	1918
Coin and notes	\$ 55,681,547	\$ 42,124,658
Central gold res.	24,500,000	26,000,000
Notes, other banks	3,464,200	10,678,020
Cheques, do.	23,757,240	20,034,899
Due by Canadian banks	17,103	6,042
Do. outside	18,101,373	10,391,516
Government securities	45,323,598	36,599,976
Other securities	52,815,433	44,705,300
Call loans, Canada	16,435,614	10,067,481
Call loans, outside	33,812,751	24,374,191
Total liquid assets	\$273,908,862	\$224,982,088
Current loans, Canada	143,259,518	119,184,715
Current loans, outside	90,210,271	64,175,163
Overdue debts	365,089	388,513
Real Estate	1,495,271	1,171,131
Bank premises	7,016,444	6,492,011
Letters credit	16,467,978	10,162,629
Circulation deposit	750,000	742,818
Other assets	173,648	213,910
Totals	\$533,647,084	\$427,512,982

LIABILITIES		
	1919	1918
Deposits, demand	\$159,656,229	\$135,243,278
Do. notice	259,465,169	197,348,439
Circulation	39,837,265	39,380,975
Due Government	14,000,000	9,000,000
Due other banks	7,463,823	6,095,721
Bills payable	806,776	316,058
Letters credit	16,467,978	10,162,629
Public liabilities	\$497,697,243	\$397,547,102
Capital	17,000,000	14,000,000
Reserve	17,000,000	15,000,000
Accrued dividends, etc.	853,422	430,122
P. & L. balance	1,096,418	535,757
Totals	\$533,647,084	\$427,512,932

Comparative figures of the position of the profit and loss accounts of the past three years are given in the following table:

	1919	1918	1917
Profits	\$3,423,264	\$2,809,846	\$2,327,979
Prev. balance	535,757	564,264	852,346
Total	\$3,959,021	\$3,374,110	\$3,180,325
Less:—			
Dividends	\$1,866,196	\$1,614,702	\$1,549,404
Bonus	340,000		
Pension fund	100,000	100,000	100,000
Premises	400,000	400,000	250,000
Govt. taxes	156,406	133,651	128,357
Patriotic		40,000	60,000
Halifax fund		50,000	
Reserve		500,000	528,300
	\$2,862,603	\$2,838,353	\$2,616,061
Balance	\$1,096,418	\$535,757	\$564,264

ed \$55,681,547, compared with \$42,124,658 in 1918. The greater part of the increase, presumably, being in United States currency and other foreign money, shows separately in the statement under review for the first time, these totalling over \$11,300,000.

Holdings of federal and provincial government securities show an increase of almost 9 millions, standing at \$45,323,598, while other stocks and bonds at \$52,815,433 were higher by over 8 millions.

Call loans in Canada grew from \$10,067,481 at the end of the 1918 period to \$16,435,614 at the end of November last, while loans of a similar category outside the Dominion were higher by some 9½ millions at \$33,812,751.

Current loans in Canada are given in the statement at the record total of \$143,259,518, an increase of upwards of 24 millions in the year, indicating that the bank is playing a generous part in the transition period through which the country is passing. Current loans outside Canada indicate in a significant way the activities of the institution in foreign fields, the bank having many branches in Europe, South America, the West Indies and the United States, established to further Canadian trade enterprise abroad. These stood at in excess of 90 millions, an increase of over 26 millions in the year.

The balance sheet portion of the 1919 exhibit of the bank is a notable one. Total deposits of \$419,121,399 are \$86,529,682 in excess of that at the end of the previous year, savings accounts contributing over 62 millions to the increase and demand deposits 24 millions. Circulation showed a small increase over the 1918 figure, the total of \$39,827,265, being less than half a million in excess of that of a year ago.

Current coin, Dominion notes and foreign currency on hand at the end of the year aggregated

Car Loading a Fine Art

The finishing rooms in the mills of the Abitibi Power and Paper Company have developed the art of car loading until it has become a science. So exacting and extensive are the precautions taken against damage to the huge rolls of paper while in transit, that little short of an actual railroad wreck can harm the newsprint while on its way to its destination.

The procedure is explained thus by "The Broke Hustler":

The empty freight car is first placed on a siding by the railroad company, where an inspector goes carefully over it to see that it is thoroughly watertight. Bad cars are rejected at once, and any that the Inspector is in the least doubtful about are subjected to a water test. If this test is passed satisfactorily the car is then switched to the Train Shed in the Mill where an experienced cleaner cleans it out thoroughly and goes carefully over it with a smoothing board for nails and bolt heads. The cleaner extracts all nails and other obstructions that he finds, and turns it over to a second inspector.

This man is equipped with a cluster of powerful electric lights which illumine every corner of the car with a strong light. He goes over every part of the car with extreme care, marking all projections such as nails that have been overlooked, or bolts heads, with a piece of chalk. The car then is put in charge of the car liners who extract all nails, and cover any projection

that cannot be removed with thick strips of wrapper. The ends of the car are then furnished with bumper blocks, each consisting of two six inch strips of eight thicknesses of wrapper. This is an efficacious protection from jolts or jars of any kind. The sharp corners of the door posts are also covered with six inch strips of eight thicknesses of wrapper, and the car is again gone over under the glare of strong electric lights and tested with a straight edge to see that smooth surfaces are everywhere presented to the rolls. The rolls are then loaded and pushed tightly together with an instrument known as a "roll pusher," those in the doorways being toe-blocked with triangular shaped blocks of wood nine inches long and four inches high. A two inch plank, six inches wide, is nailed across the inside of the doorway to prevent the roll from falling against the door, and finally the door is closed, and strips of tar paper are nailed along its top and both its sides and are battened down with strips of half inch wood one inch wide.

The nationality of immigrants to Canada during the month of October was as follows: British 76, Canadian 113, American 1,368, French 1, Scandinavian 108, others 95. They followed the following occupations:—Farmers 555, farm laborers 41, laborers 62, mechanics 80, railroaders 18, clerks 36, domestic 15, miners 9, professionals 24, women and children 856, unclassified 64.

Christmas, 1919

The President, Directors
and Officers of

The Royal Bank of Canada

desire to offer to the
Customers and Friends
of the Bank, Best Wishes
for a Happy Christmas
and a Prosperous
New Year.

The Hide and Leather Industry In Canada

THE Hide and Leather Industry is one of the oldest in the Dominion of Canada, tanneries having been established by the earliest settlers for the purpose of utilizing the skins of their own animals for the satisfaction of their own requirements in footwear, carriage fittings, and the various other products for which leather can be employed. In those days there was no such thing as shipment of cattle to remote markets "on the hoof" and consequently the supply of domestic hides was always equivalent to the supply of home-grown meats, and was at times even beyond the requirements of the Canadian leather market, so that leather and raw hides were at times exported to the neighboring Republic. With the rise of the export trade in live cattle, Canada ceased to have even sufficient hides to supply her own leather requirements and for many years the bulk of the raw material used by Canadian tanners has been imported from foreign sources.

The Canadian tanning industry has not until recent years concerned itself greatly with the output of the finer grades of leather and its product has been restricted to the coarser kinds of leather employed in footwear and in the manufacture of belting; but, especially since the War, the Canadian tanners have found it more and more advantageous to devote their attention to a better class of products. They possess the best obtainable machinery, an abundance of cheap power, and as good a supply of competent labor as is to be found anywhere in the world.

The leather industry has been very greatly stimulated by the expansion which has taken place in recent years in the Canadian footwear industry. A few features illustrative of the growth of this latter industry will give a striking idea of the manner in which it has enlarged the market for strong and durable leathers. In 1909 the output of footwear in Canada was 11,000,000 pairs. During the war this was raised to a maximum total of 20,000,000 pairs, and while the latter figure was somewhat exceptional and was caused by heavy Government contracts, it seems safe to assert that the Canadian out-

put will not again go much below 16,000,000 pairs. This industry, which affords the chief market for the output of Canadian tanneries, may be divided into three geographical divisions. The Montreal District produces 50 per cent of the entire total; the Toronto district produces 25 per cent, and Quebec and the Maritime Provinces together produce the remaining quarter, to which the City and district of Quebec alone contributes four times as much as the Provinces-by-the-Sea. There are a few shoe factories in the West, but their output is a negligible proportion of the whole. The product of this industry now ranges from the coarsest patterns worn

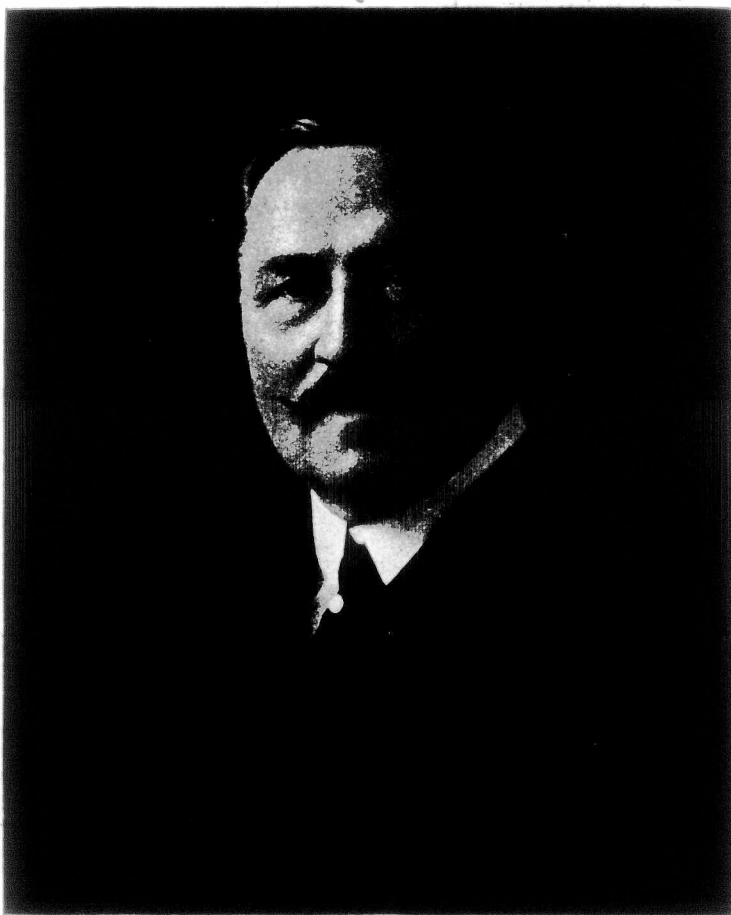
by lumbermen and outdoor workers generally to the very finest qualities, and many of the manufacturers are branches of American houses which turn out as large a range of patterns in as good a style as their Head Offices in the Republic.

The fact that the Province of Quebec does so large a proportion of the manufacturing of footwear is due more to labor and power conditions than to sources of raw material. The bulk of the domestic leather supply is produced in Ontario. For the higher-priced skins Canada is still dependent on the United States, and in the chief cities there are many agencies for the sale of American hides and leathers.

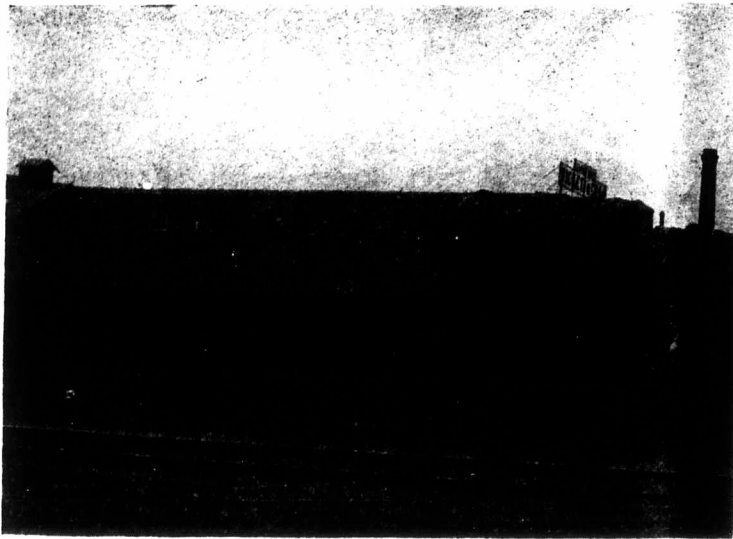
The Canadian shoe industry, which not long ago had to fight hard for the control of the domestic market, is now actually able to secure a consid-

erable outlet for its products in European countries. France and England particularly are in the market for Canadian shoes, and the visit of three leading Canadian shoe manufacturers to Europe during the past year resulted in extensive orders.

Canada is dependent on American-controlled sources for the supply of hides and for a considerable share of her finished leathers. The Canadian packers contribute some proportion of the hides required by Canadian tanneries, but not sufficient quantity to affect the price established by the American interests. The "big five" of the American packing industry control the raw material supplies of the leather industry. Their interests are so large



MR. JOSEPH DAOUST,
*President of Daoust, Lalonde and Company, Victoria
Square, Montreal.*



Tan Bark at the rear of Wickett & Craig Leather Works.

as to constitute a dominating influence in most of the services connected with the production and distribution of animal products, and they are reaching out for similar control, not only of articles which can be used for substitutes for animal products, but also of various other lines more or less related to their main business. In 1917 they handled 44 per cent of the total United States output of sheep and lamb shoe stock, 17 per cent of the glove stock, 9 per cent of the harness leather, 21 per cent of belting, and 22 per cent of sole leather. On July 31, 1917, they had almost 95 per cent of the country's entire supply of hides.

It is well within the memory of many living business men that there was a time when a cow sold for \$40.00 was considered to have brought a high price. In fact, steers, and very fine ones at that, have been sold in Toronto for as low as \$18 when they would have brought in Europe at that very time a price close to \$100. Hides from the local butchers were at that time considered almost as offal. Today a good-sized hide is worth \$30, which is more than many cattle brought 25 years ago, and is almost as much as the carcass would bring at the present time. If it were not for this immense rise in the value of leather the increase in the cost of beef would have been so great as to render that food practically prohibitive, so that the packers are able to assure themselves that in charging all that the market will bear for their hides they are actually assisting to reduce the price of a highly important article of food. The consumer who finds himself tempted to complain of the apparently high price of his new pair of shoes might do well to bear in mind that the amount which he pays to the stock raiser for the hides helps him to secure his beefsteak at a lower price than would otherwise be possible.

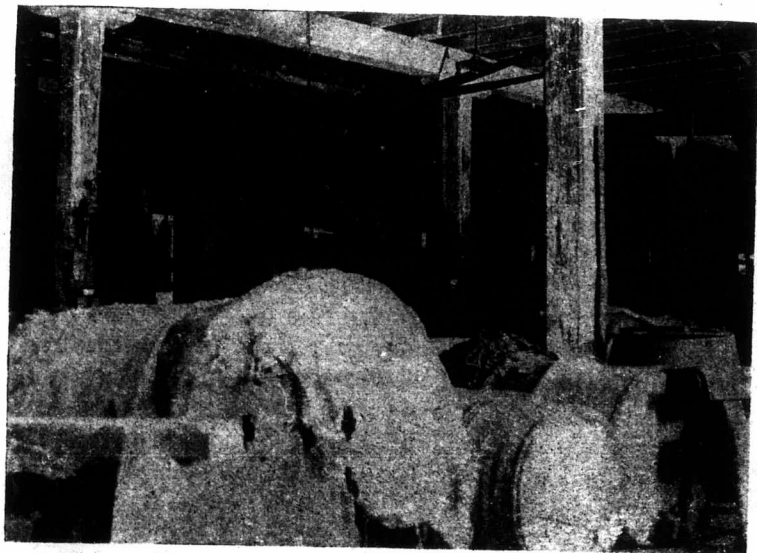
The process of manufacturing leather commences with the purchase and curing of the hides. These are secured from two sources—the packers, and the small butchers and farmers of the tanner's own locality—and they are usually classified as “packer hides” and “country hides.” Because the packer employs skilled labor in the removal of the skin from the carcass, his hides always command a higher price than those of the country butcher, whose skinning methods are of an amateurish character. The hides are first brought to the hide room to cure;

they are salted and piled for at least a month to let the surplus blood and moisture evaporate; when this curing is completed the color of the hides is found to have changed from bloodshot to an ashen grey. The hides are then carried on conveyors to what is known as the beam house, where they are washed in a pit of clear water. After this the hide is trimmed; the tail and ears go to the manufacturer of glue at a price of about a cent a pound. Between this operation and the curing the hide loses nearly 20 per cent of its original weight. It is next thrown across a horse or trestle and deftly slit along the centre and from this stage onwards each part is known as a “side.”

The process of fleshing is done in a machine which scrapes off all particles of flesh which may still adhere to the hides after their preliminary treatments. Then the sides are linked together with metal clips to facilitate handling in the next operation. They are then taken to the pits in which they are soaked in order to facilitate the removal of the hair. There are usually about six of these pits, each containing a solution of lime and the string of sides is moved forward each successive day into a pit containing a stronger solution than its predecessor. This treatment causes the hair follicles to swell and the hides are then put through an “unhairing” machine which contains a cylinder with knives similar to those of the “fleshing” machine, but not so sharp, which take off the hair cleanly and quickly. This “unhairing” machine is one of the great labor-saving devices of the modern tannery. Run by one man it is capable of removing the hair from 600 “sides” in a single day. The hair is a by-product of considerable value, and after being washed and dried it is sold for use in upholstering.

The hide then goes through another “fleshing” machine and into a solution known as “bate,” the purpose of which is to remove the lime from the pores of the skin, and at the same time to preserve the gelatine content. Any trace of lime would seriously interfere with the process of tanning. In primitive times various kinds of farmyard manure were used for the “bate,” but modern science has provided more sanitary and convenient chemical solutions having the same properties.

After half a day in salt pickle the hide at last



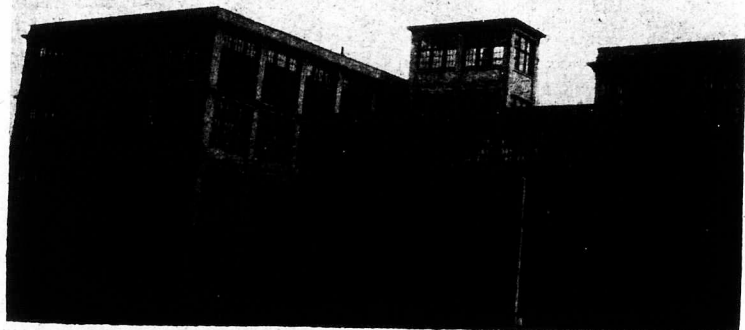
Tanning Drums, Paul Galibert, Montreal.

comes to the beginning of the tanning process proper, and is put into a liquor known as "chrome." From this the leather comes out light green in color. This is the principal process employed in tanneries which produce the finer grades of leather for shoe uppers, and it possesses several distinct advantages over the old bark or vegetable tanning processes. Chrome leather is softer and will take a finer polish than leather produced by vegetable tanning. The chrome process has of late been employed as a preliminary to the vegetable tanning even in the manufacture of heavy leathers for workmen's boots, as it was found that the use of this double process gave very satisfactory results. Ordinarily speaking, however, the coarser uppers and sole leather, belting, and harness leather are not subjected to the "chrome" process, but are immediately introduced into the vegetable tanning plant.

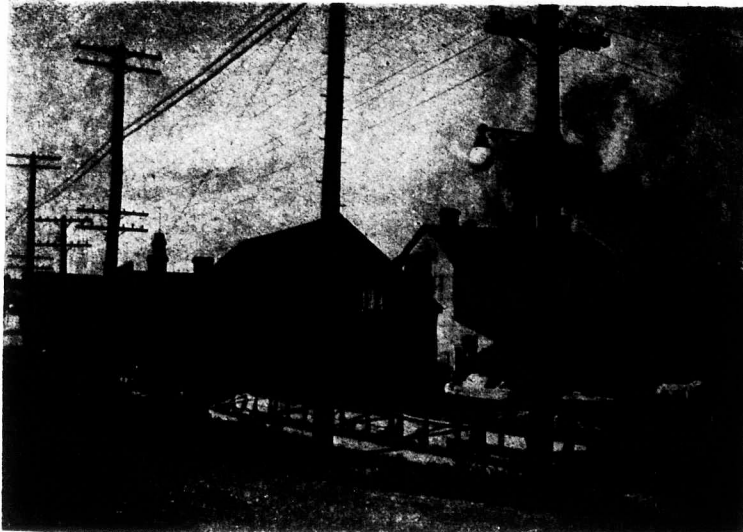
After the tanning process the leather is put through a ringer which removes all moisture and which straightens it out for the splitting machine if it is intended for any of the finer employments. Of all the machinery in a modern tannery this "splitting" machine is undoubtedly the most wonderful. Cow-hide being too thick and heavy for use as uppers in its unsplit condition has to be reduced to the requisite size by splitting.

This is done by presenting the edge of the hide to a sharp revolving band or belt knife which passes through it parallel to the surface. The belt knife is of steel about 2 inches wide, running rapidly in tension over two pulleys through a horizontal grooved guide and kept sharp at one edge by an emery wheel. Against this sharp edge the hide is forced by passing between brass rollers, the upper of which is straight and rigid while the under one is in sections resting on a lower roller of rubber to give to the inequalities and irregularities of the hide. All inequalities are kept on the flesh side of the hide while the grain side is kept uniform in thickness. The best half is the grain side on which the hair was originally.

After splitting, the leather is put into a drum containing oil, which replaces the natural oils removed in the previous processes. The dyeing is then done in another drum or by hand and the leather is then straightened out, stretched on frames, to pull out all the wrinkles, and given its permanent shape.



Front View of Clarke & Clarke's Sheepskin Tannery, Toronto.



King Bros., Whitley, Ont. Bark Yard.

After this "setting out" it is hung in large drying lofts into which hot air is constantly pumped from the engine room.

Some leather is varnished and some is put into the "staking" machine. The amount of "staking," which is a process of mechanical softening and stretching, is done on a table with a wide slit down the centre through which two arms moves back and forth meeting each other so as to grip the skin between a roller, on the extremity of the upper one, and two blunt blades set about three inches apart, on the extremity of the lower one. By the motion of the arms the skin is strongly pulled out while being held by the operator. After each stroke the skin is released and shifted so that all parts may be stretched. After this a dye containing a dressing is brushed in and the leather is again hung in a hot-air drying loft.

The next process, in most cases, is glazing and smooth-plating, which is practically a mechanical way of ironing the leather without the application of heat. The product is now finished. The pieces of leather are sorted according to weight and grade, and sent to a power-driven measuring machine of extraordinary ingenuity which registers on a dial the exact surface measurement of each piece which passes through it. These measurements are tabulated on a special adding machine and the leather is packed ready for shipment.

All colored leathers are made from the grain side of the hide, because they are generally used in high-class work. The flesh side is sometimes embossed so as to show an imitation grain and is then known to the trade as "box splits."

The process used in the manufacture of glove leather are in the main the same as for the finer grades of upper leather. The raw material consists of kid skins, which come from India and South America, but at the present time the South American market is so depleted as to be practically useless as a source of supply. In consequence of the monopoly position thus given to the Indian market for kid, the Indian Government in September placed a duty of 15 per cent on all exports except to other parts of the British Empire, in which case the duty is 5 per cent. As Canadian tanners do all their buying through the New York market, they are at present paying the 15 per cent duty and ap-

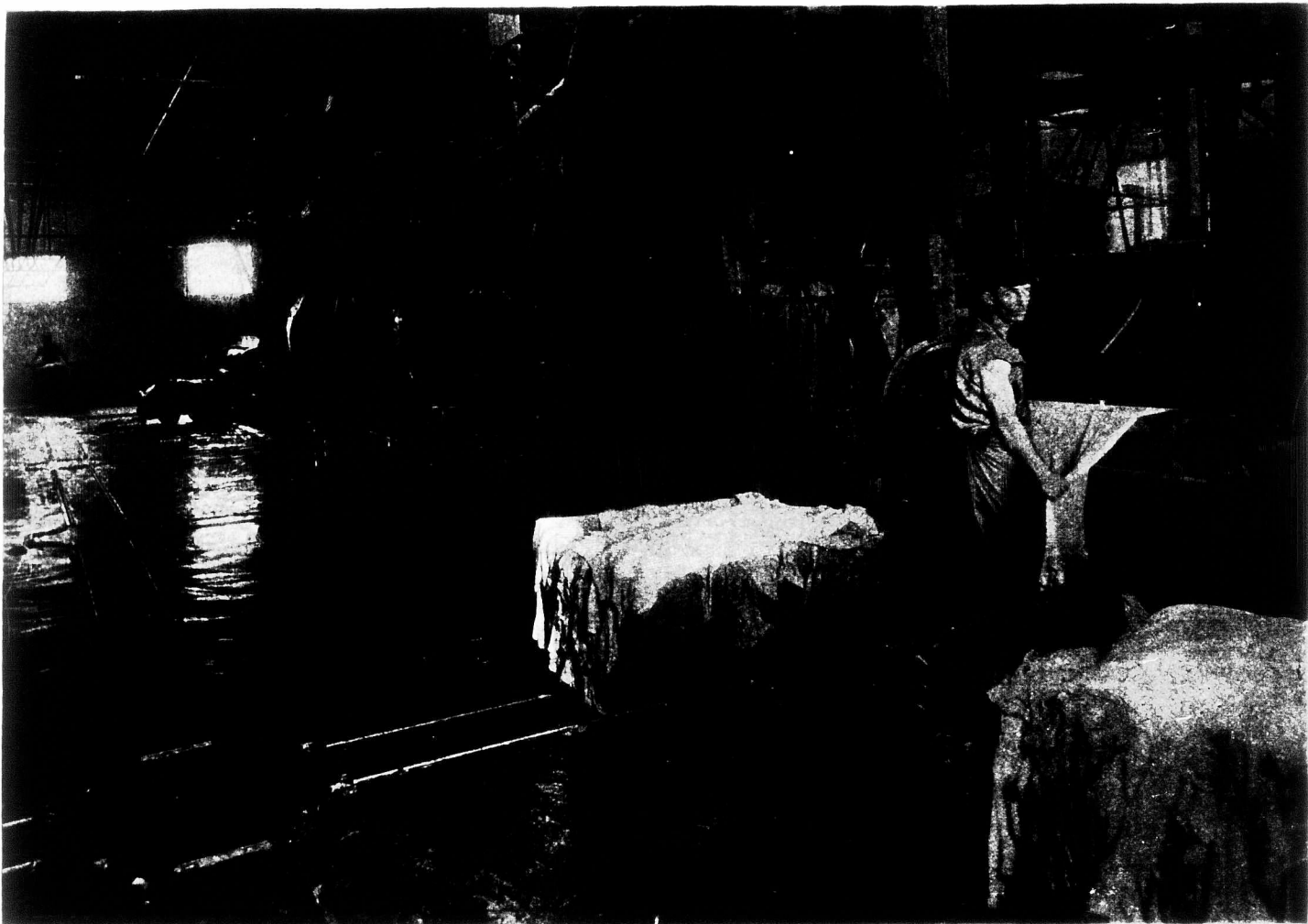
plying for a rebate of 10 per cent, an unsatisfactory method which at the best involves a considerable loss of time.

Patent leather is a special department of the industry, in which the glossy effect is produced by exposure to the sun. It is interesting to note that the largest patent leather tannery in the British Empire is that of A. R. Clark & Company in Toronto. Other large tanneries of this kind are located at Quebec, Sherbrooke, St. Hyacinthe, Kitchener, and Hastings, Ont.

The largest tannery in the Province of Quebec, and the third largest in Canada, is that of the Daoust, Lalonde & Co., of Montreal. Built in 1908, it has since been extended and is today one of the

many of the substitutes coming on the market. Today the tannery is able to get along as well and perhaps better without any of the German dyes and chemicals formerly used. All chemicals are thoroughly tested before use, the present prices of raw hides will not allow a margin for spoiled ones. The hides and leather in process of manufacture at this plant are valued at about \$500,000.

The plant employs about 150 men and girls, and if the old methods of tanning were carried on the same output would require 800 men. Mr. Daoust said that there had been no labor trouble in the plant, but that from time to time generous concessions of pay and time had been made.



Unhairing and fleshing machines, Beam-house of the Anglo-Canadian Leather Company, Limited.

most up-to-date in Canada. It is equipped with a sprinkler system against fire, aerial conveyors for moving the pelts, an intricate piping system for changing the liquors in the vats, an artesian well supplying all water used, a millwright shop where machinery is overhauled and repaired and a fine laboratory for research and tests work. The main building is 350 feet by 65 feet, built of brick, three stories high.

During the war a great deal of substitution had to be done for chemicals and dyes that were not procurable from enemy countries. The chemist in charge of the laboratory, one of Mr. J. Daoust's sons, conducted extensive research work and tested

The firm of Duclos & Payan, well known in Montreal have a large modern plant at St. Hyacinthe. The business was founded in 1873. The late Mr. Payan, who came from France, started the first chrome tanning in Canada. At present they are turning out about 800 sides a week by the vegetable process and about 1,500 chrome.

The Hastings Tanning Company at Hastings, Ont., have recently rebuilt a tannery destroyed by fire. The new building is fireproof in construction and is situated on the Trent River. They have their own docks to ship from and utilize waterpower to drive the machinery. It is also claimed that the water of the Trent River is "soft" and particularly

adapted for use in the tanning baths. They specialize in oak sole leather.

The Montreal Leather Company have an up-to-date plant and have been engaged on an extensive order from the South African Government for upholstery leather. This leather was used in the railway carriages. Practically all the hides they use are Canadian.

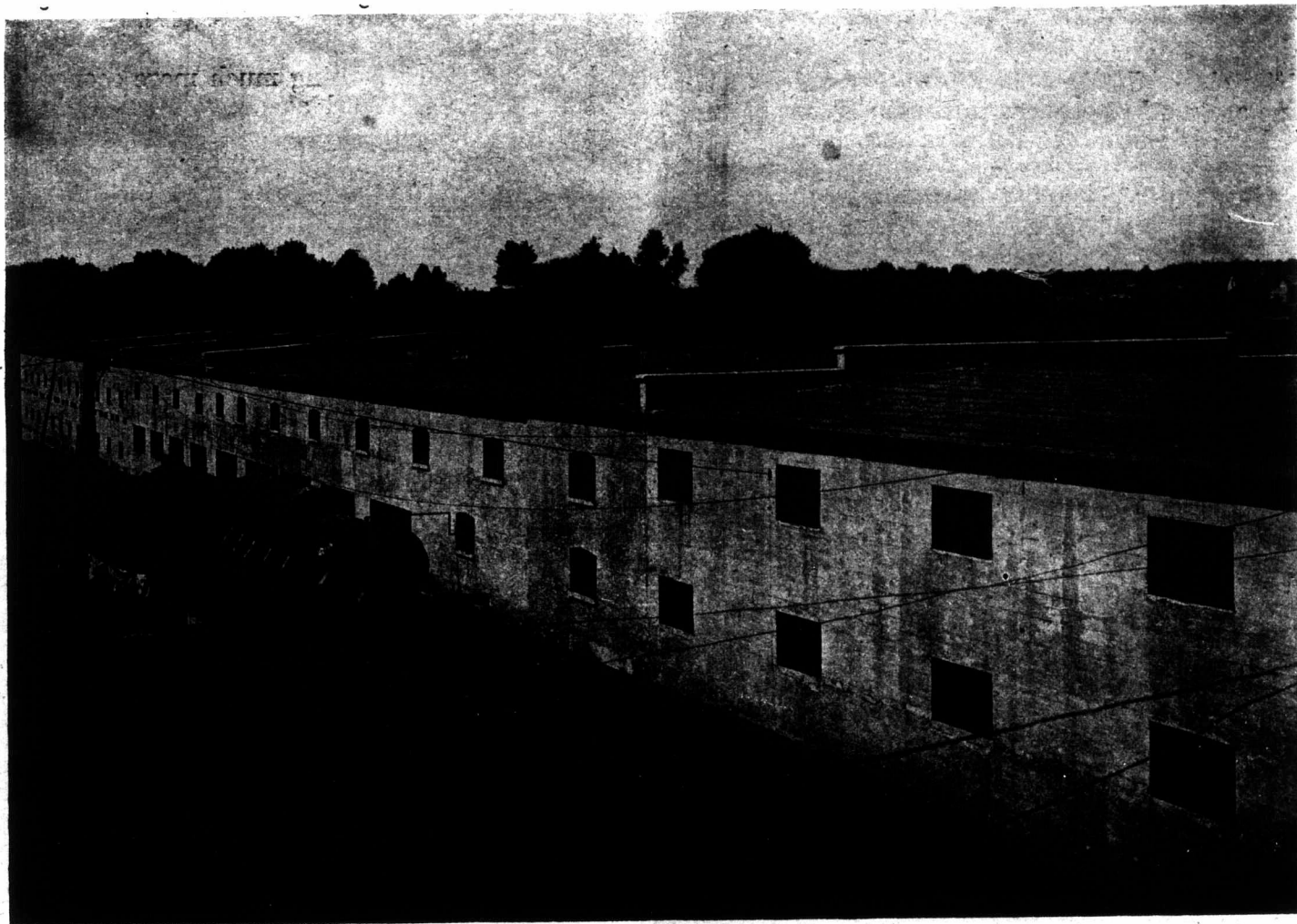
The Robson Tannery at Oshawa, founded in 1865 has become the principal industry of the town. The plant now covers five acres and employs two hundred and fifty men to complete the output of 1,800 sides a day. They turn out principally upper leather with some patent, velour and gun-metal.

It is hard to write history of the leather industry

ries discovered and later still that of alum. These speculations serve little purpose except to show that while methods and machines develop, principles remain unchanged; and all the primitive types of which we have spoken survive in altered forms in the manufacture of today, alongside others of which our ancestors knew nothing." In those times when man lived mainly on the products of the chase, the skins of wild animals formed the principal source of leather, while their place is now quite a subordinate one, except for furs.

Garfish skin polished to resemble ivory was used by the Indians for armour. Codfish skins were in olden days made into gloves in Gloucester, Mass. Egypt made sandals from Red Sea fish.

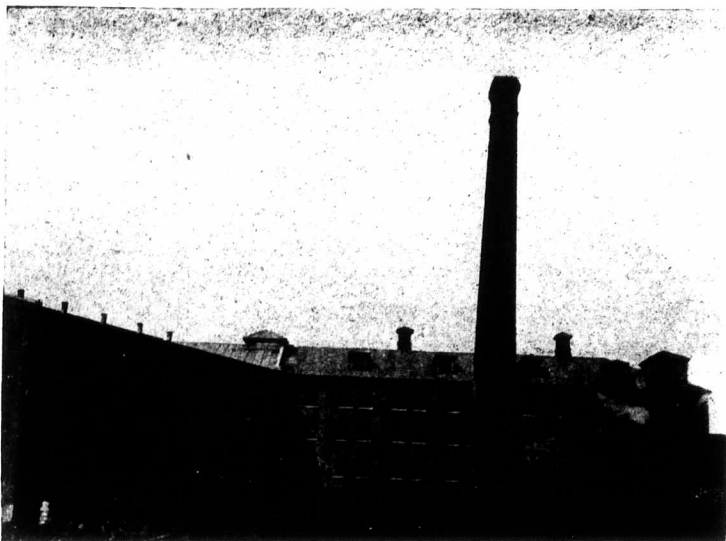
The various skins and hides that are used in the



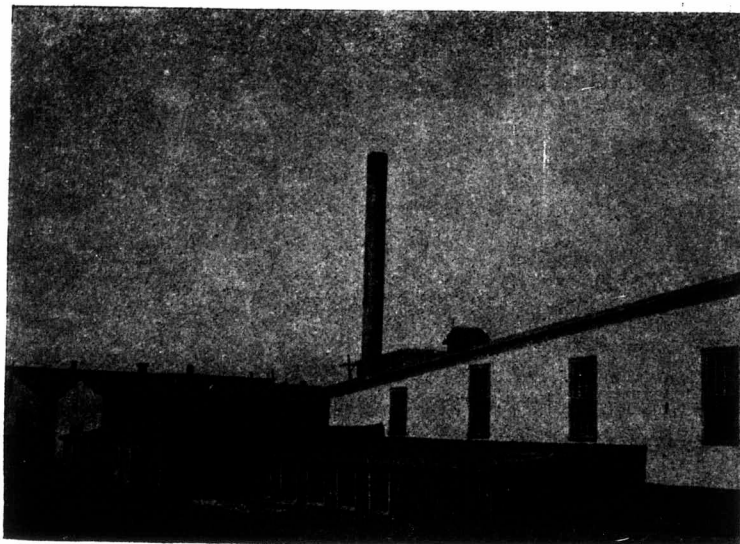
Roll Loft of the Anglo-Canadian Leather Company, Limited, Bracebridge, Ontario. Constructed of solid concrete, 600 ft. long.

because in the earliest historical times the art had attained such a development that its details were no longer a matter of curiosity, and hence little information of its methods have been preserved. We know, from actual specimens, that in Rome, presumably in Greece, and certainly in the still earlier civilization of Egypt, leather was used for most of the purpose for which it is used today. Looking yet further behind us we may picture the ways of the primitive hunter from those of savage races who still use skins for clothing, and prepared them in the old traditional ways of their tribe. We may imagine that the earliest of these depend on greasing, smoking and stretching and softening the skin as it dried; that only later was the use of barks and ber-

making of leather are many, but the most used and most useful are the skins and hides of domestic animals. The whole list of skins and hides may be divided into three large classes. The first class may be called the wild animals. The principal wild animals that are of use to the leather industry as hide bearers are deer, antelope, reindeer and kangaroo. The second class may be called the aquatic animals. This class contains also reptiles not necessarily water inhabiting. These are seal, alligator, lizard, snake and shark. The third and most important class may be called the domestic animals. This class contains also the semi-domestic animals such as the goat and buffalo. The ox, cow, calf and bull, the sheep, goat, buffalo, horse and colt all belong to



Barrie Tanning Co., Barrie, Ont.



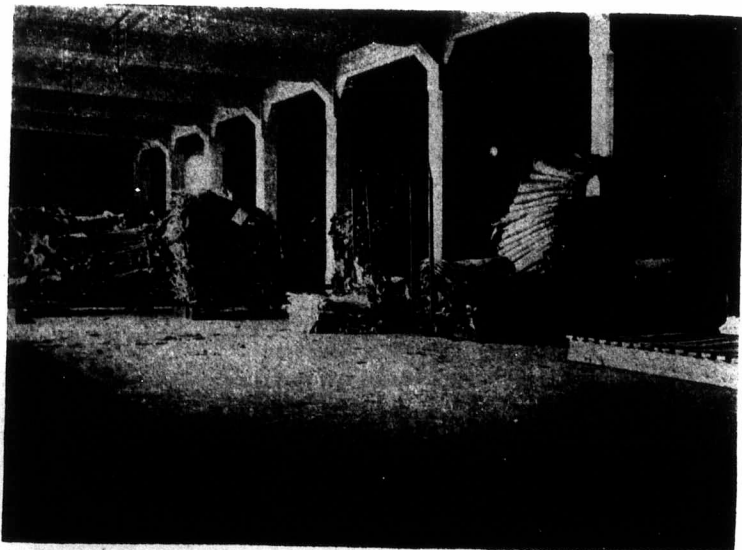
Logan Tanneries, Picton, Ont.

this latter class. In class one, the deer, reindeer and antelope are used mostly for the manufacture of so-called chamois and oil leathers for moccasins. Winter gloves are also made from the skin of these animals. The true "chamois" leather which was no doubt originally made from the animal of that name is now made from the inner half of sheepskins. The supply of deer and antelope skins is very irregular and is never used as the sole raw material for a tannery. Reindeer is becoming more and more domesticated, especially in the far north and in Norway. In this country this latter animal could be turned to great advantage both for skins and meat at very little expense, and there is no doubt that it will be in time. The kangaroo skin is used for making shoe leather on account of its great suppleness, its toughness of fibre and its unrivalled thickness of grain. It is especially adapted for shoes for tender feet and resists the penetration of water. In class two, alligator skin is perhaps the most used. These reptiles are very plentiful in tropical countries, and, like the reindeer in the north, will have their day in the future. Alligator skin is used in the manufacture of the genuine "crocodile" leather.

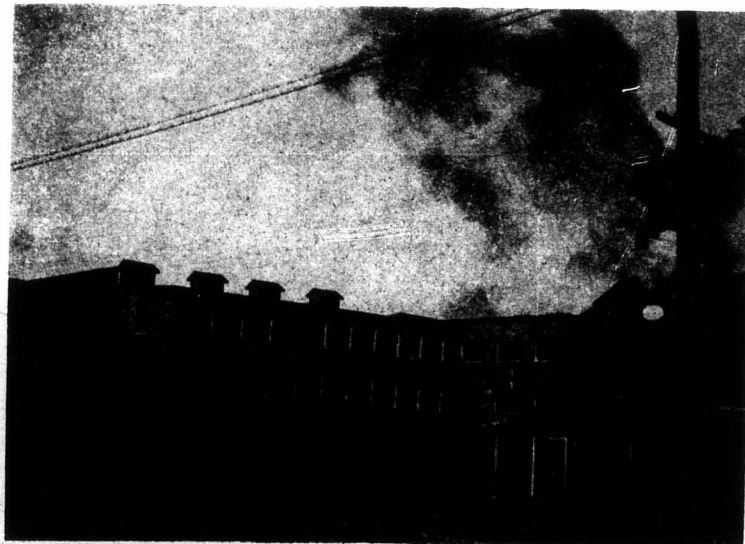
There is now an alligator skin business controlled by a Newark, N.J., firm which buys 90 per cent of the skins for American production. There is no market at present in Europe. These animals will probably never extinct, one female laying 100 eggs a year. Only green salted hides are useful, their

working and tanning being much more economical.

Lizard skins are used as fancy leather in the manufacture of purses, medicine cases and other leather goods. Arctic seals, which differ from the Alaska fur seal in that the hair of the former is coarser, are also captured in large quantities for their skins and also for their oil. Snake skin is not very popular and requires to be stroked in one direction to be smooth. It is used in the manufacture of fancy leather as are also the different fish skins. Of these latter, shark and sturgeon are most used. Shark skin when tanned has a burnished grey or bluish color. It is valuable for the manufacture of shagreen and decorative work, being smooth and easy to work. Sturgeon, when the bony plates are removed, resembles alligator skin. The leather is very tough and is used for joining leather belting. The angel-fish, from Turkish waters, gives a high quality green leather much liked in that country. Turbot skins in Russia are used to trim dresses. Red sea fish skins are made into sandals in Egypt. Eelskin is used for bookbinding. On the whole, however, fish skins are little used in a commercial way and were rather the possession of primitive man. In class three, are the skins from which nearly all commercial leather is made. Hides, which come from cattle and horses, are used in the manufacture of the heavier kinds of leather, and skins, which come from immature cattle, and skins of goats and sheep, etc., are used for the lighter leathers.



Clarke & Clarke's Crustroom.



King Bros. Plant.

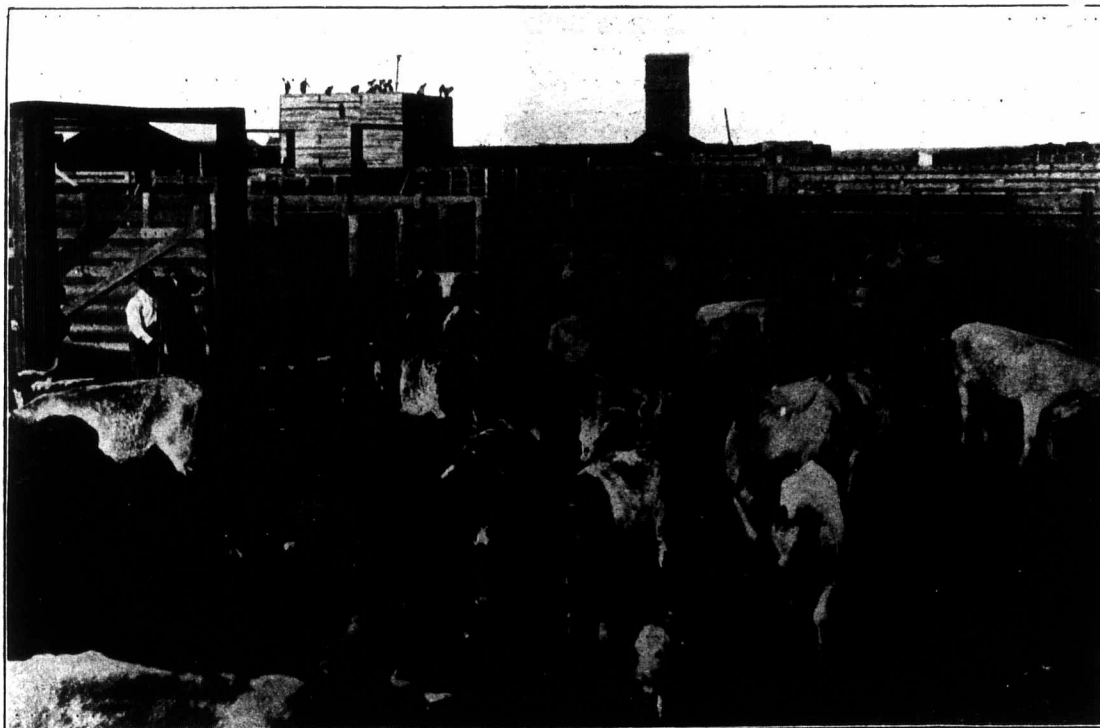
GROWTH OF LEATHER INDUSTRY IN CANADA.

Kinds of Industries.	Statistics for 1871.					
	Estab- ments.	Capital.	Wage Earners.	Wages, Labor.	Cost, Material.	Value, Products.
Leather & its finished products	6,385	\$6,606,885	25,670	\$5,890,576	\$14,860,304	\$27,953,809
Leather belting and hose	3	24,000	25	7,810	81,000	105,000
Boots and shoes	4,191	3,266,633	18,719	4,159,896	7,927,155	16,133,638
Harness and saddlery	1,045	638,036	2,695	659,986	1,124,407	2,486,939
Leather goods.	4	22,050	24	6,680	15,100	43,300
Leather, tanned, curried and finished	1,142	2,656,166	4,207	1,056,204	5,712,642	9,184,932
	Statistics for 1881.					
Leather & its finished products	6,809	\$14,265,768	27,457	\$6,700,681	\$21,870,614	\$36,455,776
Leather belting and hose	7	49,825	32	10,060	87,593	126,961
Boots and shoes	4,443	6,491,042	18,949	4,382,584	9,786,745	17,895,903
Harness and saddlery	1,346	1,338,279	2,983	783,884	1,689,258	3,287,377
Leather, tanned, curried and finished	1,013	6,386,622	5,493	1,524,153	10,307,018	15,145,535
	Statistics for 1891.					
Leather & its finished products	7,774	\$18,872,637	25,677	\$7,552,630	\$18,681,630	\$35,208,702
Leather belting and hose	6	251,000	143	62,640	238,000	511,000
Boots and shoes	5,398	9,648,639	18,041	4,916,464	9,935,281	18,990,381
Harness and saddlery	1,567	2,627,135	3,189	1,040,319	1,861,283	4,150,461
Leather goods.	1	4,400	17	4,000	12,000	20,000
Leather, tanned, curried and finished	802	6,341,463	4,287	1,529,207	6,635,066	11,536,860
	Statistics for 1901.					
Leather & its finished products	431	\$21,436,594	19,204	\$6,040,932	\$21,725,613	\$34,720,513
Leather belting and hose	4	246,300	81	34,700	230,000	408,715
Boots and shoes	179	11,005,869	12,949	3,935,448	10,993,979	18,481,216
Harnes and saddlery	95	2,512,301	2,161	718,771	1,824,751	3,427,255
Leather goods.	3	15,450	76	17,675	43,000	72,600
Leather, tanned, curried and finished	143	7,300,584	3,607	1,262,300	8,507,788	12,068,600
	Statistics for 1906.					
Leather & its finished products	533	\$28,667,125	17,991	\$6,399,330	.....	\$42,132,007
Leather belting and hose	137	578,675	178	73,390	.....	939,312
Boots and shoes	138	11,709,165	12,035	3,932,766	.....	20,264,686
Boot and shoe supplies	11	785,061	292	103,733	.....	552,802
Harness and saddlery	182	4,085,223	1,947	801,518	.....	4,800,555
Leather goods.	12	315,150	265	89,356	.....	432,435
Leather, tanned, curried and finished	183	11,193,851	3,274	1,398,567	.....	15,142,217
	Statistics for 1910.					
Leather & its finished products	399	\$48,788,803	22,742	\$9,644,403	\$34,394,189	\$62,850,412
Boots and shoes	180	23,630,649	16,150	6,542,347	18,507,535	33,987,248
Harness and saddlery	57	4,866,192	1,578	787,620	3,119,313	5,205,454
Boot and shoe supplies	14	961,319	501	200,054	506,096	1,025,878
Leather goods.	30	2,046,784	880	342,820	1,548,290	2,402,304
Whips.	3	94,000	51	20,450	59,000	124,350
All other industries	2	121,091	43	18,225	78,300	133,000
Leather, tanned, curried and finished	113	17,068,768	3,530	1,732,887	10,575,655	19,972,178

Statistics for 1915.

Kinds of Industries.	Estab- ments.	Capital.	Earners. Wage	Labor. Wages,	Material. Cost,	Products. Value,
Leather & its finished products	524	\$60,269,498	20,307	\$10,306,114	\$45,201,496	\$71,036,644
Leather belting and hose	7	1,393,619	151	81,742	1,027,763	1,717,702
Boots and shoes	146	30,881,172	14,290	6,814,772	18,980,004	34,064,696
Harness and saddlery	102	5,747,234	1,431	1,115,039	5,595,080	8,739,278
Leather goods.	25	2,004,030	775	376,634	1,187,755	2,179,035
Leather, tanned, curried and finished	106	19,688,281	3,293	1,754,871	18,123,623	23,654,491
Boot and shoe repairs	127	153,284	196	99,429	84,405	328,303
Boot and shoe supplies	8	184,116	105	35,166	107,520	185,868
Whips	3	217,762	66	28,461	95,347	167,271

NOTE: The reduction in number of establishments in 1901 was due to the elimination of establishments employing less than five persons. The earlier censuses included an immense number of small shoemakers and saddlers, whose work was really repairing rather than manufacturing. The effect of the elimination of these small shops was very great in the matter of number of establishments, but insignificant in the other items of the census.



CATTLE OF WESTERN CANADA.

The hides of these animals killed by the packers are the chief source of supply for the tanner.



The Royal Bank of Canada

GENERAL STATEMENT

29th November, 1919

LIABILITIES

TO THE PUBLIC:

Deposits not bearing interest.....	\$159,656,229.68	
Deposits bearing interest, including interest accrued to date of statement.....	259,465,169.69	
		\$419,121,399.37
Notes of the Bank in Circulation.....		39,837,265.74
Balance due to Dominion Government.....		14,000,000.00
Balances due to other Banks in Canada.....	\$ 13,970.88	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries.....	7,449,852.42	
		7,463,823.30
Bills payable.....		806,776.89
Acceptances under Letters of Credit.....		16,467,978.69
		\$497,697,243.99

TO THE SHAREHOLDERS:

Capital Stock Paid up.....		17,000,000.00
Reserve Fund.....	\$17,000,000.00	
Balance of Profits carried forward.....	1,096,418.74	
		18,096,418.74
Dividends Unclaimed.....	8,203.08	
Dividend No. 129 (at 12 per cent per annum) payable December 1st, 1919.....	505,219.12	
Fiftieth Anniversary Bonus of 2%, payable December 20th, 1919.....	340,000.00	
		853,422.20
		\$533,647,084.93

ASSETS

Current Coin.....	\$ 17,653,879.92
Dominion Notes.....	26,735,724.00
United States Currency.....	8,746,805.00
Other Foreign Money.....	2,545,138.41
	\$ 55,681,547.33
Deposits in the Central Gold Reserves.....	24,500,000.00
Notes of other Banks.....	3,464,200.00
Cheques on other Banks.....	23,757,240.33
Balances due by other Banks in Canada.....	17,103.80
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	18,101,373.08
Dominion and Provincial Government Securities, not exceeding market value.....	45,323,598.66
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value.....	33,400,542.77
Railway and other Bonds, Debentures and Stocks not exceeding market value.....	19,414,891.06
Call Loans in Canada, on Bonds, Debentures and Stocks.....	16,435,614.30
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada.....	33,812,751.53
	\$273,908,862.86
Other Current Loans and Discounts in Canada (less rebate of interest).....	\$143,259,518.47
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	90,210,271.23
Overdue Debts (estimated loss provided for)....	365,089.66
	\$233,834,879.46

Real Estate other than Bank Premises.....	1,495,271.00
Bank Premises, at not more than cost, less amounts written off.....	7,016,444.12
Liabilities of Customers under Letters of Credit, as per contra.....	16,467,978.69
Deposit with the Minister for the purposes of the Circulation Fund.....	750,000.00
Other Assets not included in the foregoing.....	173,648.80
	\$533,647,084.93

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

AUDITORS' CERTIFICATE

We Report to the Shareholders of The Royal Bank of Canada: That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have checked the cash and verified the securities of the Bank at the Chief Office at 29th November, 1919, as well as at another time, as required by Section 56 of the Bank Act and that we found they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal branches.

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

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

JAMES MARWICK, C. A.,
S. RODGER MITCHELL, C. A.,
of Marwick, Mitchell, Peat and Co. } Auditors.
JOHN W. ROSS, C. A.,
of P. S. Ross and Sons. }

Montreal, Canada, 18th December, 1919.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1918.....	\$ 535,757.19
Profits for the year, after deducting charges of management and all other expenses, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills.....	3,423,264.34
	\$ 3,959,021.53

APPROPRIATED AS FOLLOWS:

Dividends Nos. 126, 127, 128 and 129 at 12 per cent per annum.....	\$ 1,866,196.50
Fiftieth Anniversary Bonus of 2 per cent to Shareholders.....	340,000.00
Transferred to Officers' Pension Fund.....	100,000.00
Written off Bank Premises Account.....	400,000.00
War Tax on Bank Note Circulation.....	156,406.29
Balance of Profit and Loss carried forward....	1,096,418.74
	\$ 3,959,021.53

RESERVE FUND

Balance at Credit, 30th November, 1918.....	\$ 15,000,000.00
Premium on New Capital Stock.....	2,000,000.00
Balance at Credit, 29th November, 1919.....	\$ 17,000,000.00

H. S. HOLT, President. EDSON L. PEASE, Managing Director. C. E. NEILL, General Manager.
Montreal, 18th December, 1919.

Banks, Bankers and Banking

Prosperous Australian Bank

Canada is not the only Overseas Dominion whose banks are enjoying a high degree of prosperity. British investors are looking with interest to the figures of both Australian and Canadian banks, and would undoubtedly be purchasing their securities if the exchange rate permitted, being attracted to them because of their high merits as investments which can be safely locked up, not only for their present yields, but for possible higher yields and capital appreciation. The latest additional evidence of this prosperity is the news of the intention of the directors of the Bank of Australasia to issue more capital and at the same time to take powers to capitalize undivided profits. Some years back the £40 shares could have been bought at under 60. A few days ago they touched the record level of 144. And shareholders are in deep clover still.

Bonds at Their Bottom Level

Bonds are still practically at their bottom levels. Their failure to rally is plainly due to the scarcity of investment capital throughout the world, compared with the demand for it. In the United States big issues of new securities, especially of preferred stocks, come into competition with older securities and tend to prevent any advance in prices.

Good bonds and preferred stocks are on the bar-

gain counter. For the remainder of this year it is possible that many bondholders having large income taxes to pay will record losses by selling their old holdings and reinvesting in some of the very attractive new securities being offered in such variety. This affords an exceptional opportunity for others to buy, as the chances are decidedly against further declines of sufficient importance to be worth waiting for.

At the same time, we do not believe that the general level of bond prices will advance much until after commodity prices begin to drift downward. So far there is little or no evidence of any such tendency, and there are some who assert that it will not come, because of world-wide inflation of currencies. Certainly, it may be slow in coming, but action and reaction are just as much a law of markets as of physics, and after the tremendous price advances of the war, the natural thing to expect is a downward swing—slow, probably, but from our point of view reasonably sure. We refer, of course, to prices as measured in gold. What may happen to prices in countries where the currency is depreciated from gold value is an entirely different thing.

But bonds are bought chiefly for their interest yield. It is now high, and the possibility of its being still a trifle higher is not worth waiting for.—From "The Outlook" in The Magazine of Wall Street.

THE MERCHANTS BANK

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

President: Sir H. Montagu Allan, C.V.O.
 Vice-President: K. W. Blackwell.
 General Manager: D. C. Macarow.
 Supt. of Branches and Chief Inspector: T. E. Merrett.

COLLECTIONS FOR BUSINESS HOUSES
 The satisfactory service which The Merchants Bank renders to Business Houses, in the matter of collecting Notes, Drafts and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.

Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.



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

ESTABLISHED 1832

Paid-Up Capital
\$9,700,000



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

TOTAL ASSETS OVER \$220,000,000

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

THE BANK OF NOVA SCOTIA

ESTABLISHED 1872

Bank of Hamilton

Head Office: HAMILTON

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

BANKING SERVICE

Your banking requirements may be entrusted to this Bank with every confidence that careful and efficient service will be rendered. Our facilities are entirely at your disposal.

THE CANADIAN BANK OF COMMERCE

498 BRANCHES.

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

The Royal Bank of Canada

Incorporated 1869

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

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

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

SPAIN, Barcelona—Plaza de Cataluna 6.
 PARIS AGENCY—28 Rue du Quatre Septembre.
 LONDON, Eng. NEW YORK
 Prince Street. E. C. 68 William Street.

SAVINGS DEPARTMENT at all Branches

Business Founded 1795

American Bank Note Company

Incorporated by Act of the Parliament of Canada

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

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

Banks, Banking and Bankers

Director of Sterling Bank

Mr. A. H. Walker, for the past six years general manager of the Sterling Bank of Canada, has been made a director.

German Attempt to Solve Exchange

One method employed by Germans to maintain the value of the German mark and prevent its exportation to neighbouring countries, where the rate of exchange would militate against the business interests of the present Confederation, has been observed in the Netherlands. It consists of the continued "turning over" of manufactured articles for goods of higher value.

For example, Germany at the present time is greatly in need of boots and shoes, but has not the hides to employ for the purposes. Traders solve this by placing a contract in the Netherlands for a number of untanned hides, take them to German tanneries and convert them into leather, returning them to the Netherlands with a certain number deducted as payment for the tanning. The German interests then make a further contract with the owners of the now tanned leathers to return these to Germany, where they will be converted into boots and shoes. This done, the manufactured product is once more sent to Holland, the process of deducting a certain quantity as payment having been repeated.

The amount of boots and shoes thus received is practically of no importance, and to be able to return to Germany the whole of its manufactures it is necessary that an additional step be taken, which is done by bartering the stock in the hands of the Dutch merchants for some other German manufactured product, such as dyestuffs or medicines.

By this return to primitive trading methods Germany is enabled to sell its products and to purchase those of which it is in the most need without the exchange of money.

New Bank Branches

The progress being made in the development of the banking business in Canada is again demonstrated by the activity of the Sterling Bank of Canada in opening new branches throughout the country. During the year the Sterling Bank opened seventeen new branches.

In commenting upon the expansion, the Bank's official order, The Teller, says:

"The men and women on the staff have made these new branches possible by their handling of the business we already had, and we should feel greatly encouraged by the results.

"Canada has not by any means reached the peak of her prosperity. The Sterling Bank is going to need many more branches in the future. Every new branch means bigger opportunities for each one of us. Bigger volume of business. Bigger policies. Broader opportunities for service to our customers. Closer contact with the business of the country."

Branches were opened during the year at the following points:—Beaverton, Ontario; Duntroon, Ontario; Eden, Manitoba; Fenelon Falls, Ontario; Glenella, Manitoba; Hawkestone, Ontario; Hanley, Saskatchewan; Kelvington, Saskatchewan; Kinmount, Ontario; Marlbank, Ontario; Minden, Ontario; Myrtle Station, Ontario; Port Dover, Ontario; Port Rowan, Ontario; Straffordville, Ontario; Stayner, Ontario; and Zephyr, Ontario.

Mrs. L. A. Hamilton, vice-president of the National Council of Women of Canada has been urged to run for a seat in the Toronto City Council.



SAVINGS, Thrift, Independence—all these are the outcome of the same impulse and attain the same objective—PROSPERITY. The Standard Bank of Canada can help you to attain it.

THE
STANDARD BANK
OF CANADA

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

THE MOLSONS BANK

Incorporated 1855.
Capital and Reserve . . . \$9,000,000.00
Over 120 Branches.

The tremendous credit business which is done these days could not be accomplished without the assistance of the banks. If you require a line of credit and have good grounds to base it on, The Molsons Bank will be glad to advise and assist you as far as it can. Have a talk with the Manager.

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

The Dominion Bank

160 St. James St.

Careful attention is given to Foreign Exchange Business Cable and Mail Transfers, Drafts and Letters of Credit issued. A General Banking Business transacted.

M. S. BOGERT
MANAGER.



BOND DEPARTMENT
Every office of the Home Bank of Canada is in ready communication with the Bond Department. Information freely and promptly supplied regarding Government Bonds and the more stable forms of securities.

The Home Bank of Canada

Branches and Connections Throughout Canada

Transportation Bldg. 120 St. James Street
2111 Ontario St. East Cor. Davidson Street
1318 Wellington Street, Verdun

LLOYDS BANK LIMITED.

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



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

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

The Agency of Foreign and Colonial Banks is undertaken.

Affiliated Banks:

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

Auxiliary:

LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LIMITED.

PROFESSIONAL

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

Canada's Mining Industry

Weak Mines Have Recovered

**Crown Reserve Developments—Hollinger Has a Great Year
—Porcupine Crown and Moneta Merger—Kerr Lake
Produced About 115,000 ounces in November**

By Our Toronto Correspondent

A survey of mining conditions in the Cobalt district shows that the past couple of months have been notable for the camp, in as much as many of the older properties, which many thought were on their last legs, have made notable discoveries and, in all instances, of high-grade ore. The result has been that these mines will continue production on a large scale, and one of them, the Timiskaming, has already resumed dividends. In this category, the following mines are found: Beaver, Timiskaming, Crown, Reserve, La Rose, Old Foster. On the other hand, it is pointed out there are other companies, which, though not so fortunate as the above mines, have taken other steps to prolong their lives. The Mining Corporation and the Northern Customs are two of them. The Peterson Lake, besides acquiring old properties, also has some 200 acres of virgin territory to work.

Developments at the Crown Reserve continue favorable and the month of December promises to be a highly profitable one. The recent discovery of high-grade ore at a depth of 150 feet has resulted in considerable ore being bagged. In that some of this picked ore runs several thousand ounces to the ton and in some instances having a value of \$10,000 or more per ton, the production for the month of December will be exceptionally high. The new vein is stated to continue strong, with comparatively uniform mineralization, although perhaps not quite so rich as where first encountered. Enough work has already been done to demonstrate that the ore spot is one of considerable importance.

The dividend to be handed to the Hollinger shareholders at Christmas will mean big disbursements. One per cent dividend has been declared, payable December 31, and this will represent a total of \$264,000. During the current year a total of seven per cent, or \$1,720,000, has been

distributed to the shareholders. With the exception of 1916, this year's disbursements have never been equalled in the history of Hollinger. In 1911 the Hollinger commenced producing and since then \$43,000,000 in gold has been taken out. Ore reserves are believed to about equal the total so far produced, this calculation being based on the fact that ore reserves at the beginning of 1919 amounted to approximately \$41,000,000. The Hollinger Company has paid a total of \$15,476,000 since coming into existence.

According to the announcement of F. C. Sutherland & Company, Toronto, through their live little mining newspaper, "The Mining Digest," important developments are taking place in the Matachewan Gold Area. On the Otisse property, now known as the Matachewan Gold Mining Co., rich lenses of ore are reported encountered in the drift being run to connect No. 1 with No. 2 shaft. On the first level, which is at a depth of 160 feet, over 1,000 feet of cross-cutting and drifting has been done. It is understood that work done laterally on the vein system has proven highly satisfactory and that in cross-cutting unexpected ore bodies were cut. Several lenses of ore have been developed on this level. It is said that additional New York capital is to be invested in the development of this district, Col. R. M. Thompson being reported to have secured an option on the Robb-Clemens claims adjoining the Matachewan-Rand and Matachewan Gold Mines. The proposed electric power development at Indian Chutes previously mentioned should prove a boon to Matachewan, Elk Lake and Gowganda.

The Peterson Lake directorate held a meeting on the property recently at which it was decided to start active development work immediately, the dewatering process having been carried on sufficiently to allow drilling at the first level. At the present time about forty men are working on the property, most of them dewatering at the second shaft.

Further development of the ore body recently opened upon the 300-foot level of the Davidson Consolidated has been in progress during the past two weeks. This vein is widening out and gold values averaging over \$12 to the ton are being maintained. Good progress is being made with the diamond drilling being carried on to prove the easterly extension of the main vein system.

According to information received by Hamilton B. Willis in Toronto, a merger between Porcupine Crown and the Moneta is a live possibility. It was announced some time ago that following the discovery of rich ore at a depth of 22 feet on the Moneta, several large companies in the Porcupine Camp were anxious to gain control in the company. Dewatering on the Moneta underworkings is now being carried on.

Crown Reserve has just recorded what is said to be one of the most important strikes in years in the Cobalt Camp. It is located above the 150-foot level, and, according to the engineers, it is of great promise.

The Kirkland Lake Gold Mines of the Beaver Consolidated Company report the discovery of some spectacular ore finds. This is said to be

the deepest point of operation in the entire Kirkland Lake Camp and is said to hold out considerable assurance that the other leading mines will also continue to encounter gold values to great depth.

Figures just issued at Cobalt show that in the month of November the Kerr Lake Mine produced approximately 115,000 ounces of silver. At the average price of silver then obtaining, the output had a value of around \$150,000. This is the heaviest production for some months from the Kerr Lake. At such a rate of production the Kerr Lake is said to be establishing a record not far behind the Mining Corporation of Canada, which at present is the second largest silver-producing mine in the Dominion.

COAL

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**Century Coal and Coke
Company, Limited**

Head Office: 310 Dominion Express Building,
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We Guarantee Satisfactory Results

We recommend the purchase of
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Send for full information and large

FREE

Map of the Porcupine Mining District

Tanner & Gates, Ltd.

301 Dominion Bank Bldg., Toronto, Canada.
Telephone—Adelaide 1366.

Canada's Mining Industry

New Cobalt Merger Reported

Exchange Favorable to Mining Industry—Dome Lake Will Resume Work—Discovery of Silver in Willett Township—Reliance and Hargraves Consolidated Merger

By Our Toronto Correspondent

In connection with the exchange situation, mining men point out that it is an ill wind that blows nobody good. Canadian gold mines ship their bullion to Ottawa but are paid in New York funds. With exchange at ten per cent this increases the payment which ultimately reaches the mine in Canada to \$22.96 instead of \$20.67. Of course the exchange situation is not all profit for the mines because most of their mine machinery and equipment comes from the United States. However, the figures would indicate that if the North's gold mines continue to produce for the year at the rate of the first nine months of the year and come up to the Bureau of Mines' estimate of \$10,000,000, the exchange should net a considerable sum in increased profits.

The Dome Lake mill is now receiving the finishing touches which will enable the management to resume production some time during the last week in December. Carl Frank, formerly a member of the staff of the Dome Mines, is in charge of operations.

A spectacular discovery of native silver is reported from the Taylor-Kennedy claims situated in the Township of Willett, in Elk Lake district. The new find has caused a medium-sized rush of Elk Lake prospectors to the scene and considerable staking is being done. The claims are located about two miles from the old Lucky Godfrey mine.

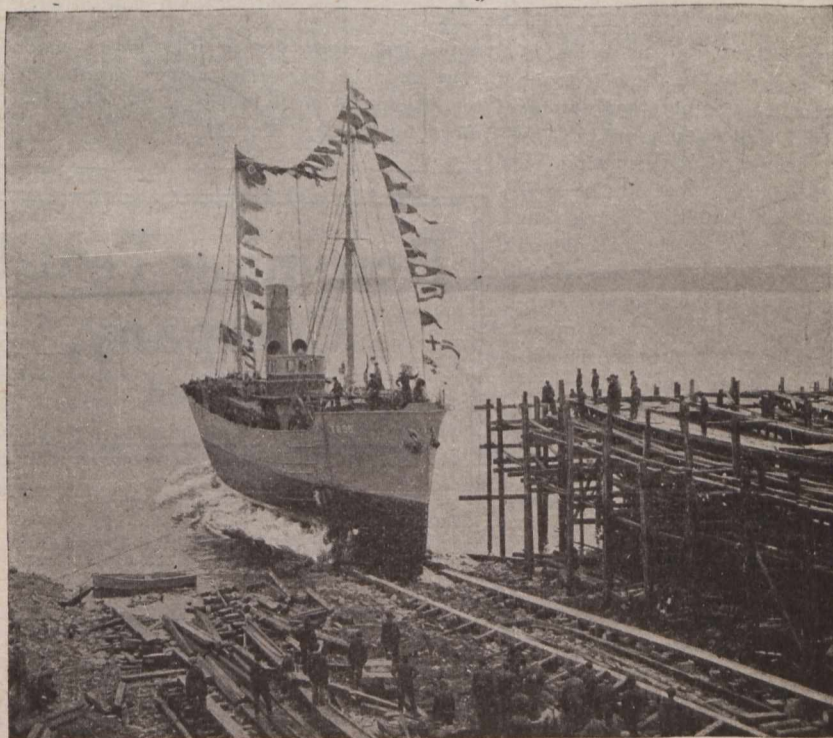
A deal has been closed for the Maloof property at Sesekinika, where gold telluride discoveries of more or less importance were made some years ago. A diamond drill will be employed in exploring at depth and the work will commence at once.

Another mining consolidation is reported from Cobalt. It is understood that the Reliance interests are being given 800,000 shares in the new Hargraves Consolidated Company, while the former Hargraves Company is being given 1,000,000 shares in the new company. This leaves 700,000 shares in the treasury, the Hargrave Consolidated being capitalized at \$2,500,000.

The semi-annual report of the shareholders of the Peterson Lake Cobalt Company was issued this week. It covers the period from July 15 to December 2nd, and has appended a half-yearly financial statement which shows a surplus of current assets over liabilities of \$13,094.76, as compared with but a few hundred dollars a year ago. The shipment of ore made some time ago netted the company \$13,727. The report makes mention of the sale of 385,000 shares of treasury stock at 15 cents, which at the time of the sale, it states, was well above the market price. These shares are to be paid for on monthly instalments and the deal was transacted without any commission of underwriting costs. With this money profits expected from rock ore on hand and \$24,000 now in the bank, the directors expect that between \$90,000 and \$100,000 will be available for development work and with all plant paid for to boot. This altogether excludes the 200,000 tons of tailings secured by a successful lawsuit. The report is signed by President Lamport and Secretary-Treasurer Goff.

The Board of Conciliation, sitting on the wage differences between the United Mine Workers of America and the Dominion Coal Company, report progress towards an amicable adjustment.

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The Grand Trunk Purchase

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It is fully discussed in the current issue of *Investment Items* with particular reference to the Grand Trunk purchase.

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33

The Pulp and Paper Industry

Paper Control For Six Months More

Announcement was made in Ottawa on Monday that the war-time Orders in Council would be removed on January 1 with certain specific exceptions. The exceptions include: Pulp and paper control, coal and sugar control, trading with the enemy, exportation of gold, internment operations and censorship.

This exception will prolong the operations of the Paper Control for six months only, according to the decision reached by the conference of paper-makers, publishers and the Government on Wednesday. A price of \$80 per ton for six months from January 1 was decided upon, and after that period the price to Canadian publishers will be limited only by the prevailing control rates for paper sold to American buyers. This rate is at least \$90 a ton now and will probably be higher by July. As a result of this agreement, the action

taken by some manufacturers to contest the validity of the control in the courts will, it is understood, be abandoned.

The amount of consumption affected by the agreement is about 100,000 tons per annum. The price has been \$69 to Canadian publishers for a year or so past, so that the new price will give the manufacturers nearly \$100,000 a month more for the first half of 1920 and at least \$200,000 after that. The agreement is likely to be followed by a rapid expansion of newsprint output in Canada.

News of the week in the paper industry included the purchase by Wayagamack of the splendid Breakey limits in Gaspé, whose wood can be driven on the York River to the St. Lawrence and conveyed to Three Rivers by barges.

Howard Smith Merger is Big Concern

Shareholders of the Howard Smith Paper Mills, Limited, at a special general meeting held last week, confirmed the sale of the enterprise as a going concern to a new company recently incorporated under the same name, with an authorized capital of \$7,000,000. About 90 per cent of the issued capital stock was represented at the meeting and the proposal recommended by the board of directors was adopted without a dissenting vote.

Under the conditions of the sale, one share of 8 per cent cumulative preferred stock of the new company, participating up to 10 per cent, will be given for each share of the 7 per cent non-participating preferred stock of the old company, while holders of the old common stock will receive two shares of new for each one presently held by them.

The new company undertakes to pay the common shareholders of the old company the dividend of 5 per cent recently declared for the year 1919. No change in the management of executive is

involved in the transaction.

The reorganization enterprise will operate three divisional plants for the manufacture of bond, ledger and other high-grade papers, these being situated at Beauharnois and Chabtree Mills, in Quebec, and Cornwall, Ontario, the latter being the property of the Toronto Paper Manufacturing Company recently acquired by the Howard Smith enterprise.

The Howard Smith Paper Mills, Limited, has made steady progress since its formation in 1912, and all three of its divisional plants, it is stated, are running at full capacity with orders for several months booked ahead. The capacity of all the plants is now being substantially increased by the installation of additional paper machines and other equipment to meet the increasing business. The amalgamation under one management of the company and its resources makes the Howard Smith Paper Mills, Limited, by far the largest producer of high-grade papers in Canada and one of the largest in the world.

Must Have Export Market

Speaking of the restrictions on the price of newsprint and the keeping of it in Canada to be sold for lower prices than can be obtained outside the country, a Montreal paper man said, "The Canadian government seems to be working on the assumption that as long as prices can be kept down to the consumer, even if the restrictions prevent the manufacturer from getting a hold on a foreign market and realizing a better price, everything is fair and for the country's good. Germany's trade penetration was based on an opposite policy. They always endeavored to sell cheaper in the foreign field than at home because a nation's wealth is built up more by foreign trade than internal trade. If money circulates only within a country that country becomes no richer but sales in a foreign market make for national wealth."

Now the Canadian paper trade will have to compete with Germany's disciples,—the Scandinavians. They are going after export trade and will sell cheaper to a foreign country than at home. In addition they have cheaper labor, every bit as good resources as Canada and are sea-faring nations with merchant fleets. Everybody uses paper more every day; we have paper towels,

cups, ice-cream dishes and papier-maché toys. Why should a Canadian paper manufacturer have to sell for 66 or 75 dollars a ton what he can get more for in New York?"

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The Pulp and Paper Industry

Pulpwood of West U.S. Not Available

A United States Senator said the other day, that there was any amount of pulp wood available in the North Western States and that if the government would vote an appropriation of \$1,000,000 for a survey, he had no doubt that supplies of newsprint would be available to end the present shortage and supply all publishers for decades to come.

Commenting on this Mr. Back of the Canadian Pulp and Paper Association, said that no doubt the Western States might have a supply of pulp wood. The question was whether it was commercially available. "We have plenty of pulp wood on the Gaspé Peninsula that is not available now because of its position. Then again how can they expect to do anything to help the situation for some years? There isn't a manu-

facturer of paper machinery who can make a delivery inside three years. Add to that the time lost in erecting a pulp plant and you may guess how soon they can expect to relieve the present situation."

"If the pulp wood supply actually exists," Senator Poindexter said, "the survey will go far toward compelling Eastern paper manufacturers to abandon their claims of acute scarcity and stop profiteering."

He proposed appropriation of \$1,000,000 for the survey.

"It will be found," said Mr. Poindexter, "that newsprint can be made in Oregon, Washington and California, at a cost that will permit the product to be sold at prices far below those now being charged by Eastern mills."

Remarkable Progress in Belgium

The port of Antwerp, during October, berthed 442 ships of 541,099 tons. This is slightly under September figures, which showed the arrival of 505 vessels, but the decrease is accounted for by the fact that the British naval base, beginning October 1, suppressed the shipment of munitions. For the ten months ending November 1, there entered that port 3,013 vessels with a tonnage of 3,910,870.

For the nine months ending October 1, Belgian imports amounted to 3,162,254,089 francs, and exports to 1,071,823,554 francs; the adverse balance thus being 2,090,430,535 francs.

Fiscally, the country is in a better position than the most optimistic in Government circles expected. For the first eight months, the tax receipts were expected to be 469,610,285 francs; 92; the actual receipts for the period were 506,949,133 francs; 48; the excess being thus 37,338,847 francs; 56.

British belief in the stability of the country and its future prospects is indicated by the fact that a group of London capitalists has just granted a twenty-five year loan to the Belgian Government for no less than 50 million pounds sterling, or 2,150 million francs. The interest rate is five per cent. It will be remembered that to date the only American credit to Belgium, outside of the advances by the United States Government, has been the \$50,000,000 acceptance credit arranged by a syndicate of banks for purely commercial purposes.

In restoring its coal mines to production, Belgium has been confronted with a series of difficulties, chief among which were the condition in which the mines were left by the Germans, and the shortage of labor. Despite these, production in September of this year had reached 88 per cent. of the output for the same month in 1913. The gain in the last few months has been remarkable. At Liege, particularly, production, which was only 73.6 per cent in August, was 80 per cent in September.

Much of Belgian coal in pre-war days was sent abroad, and certain countries depend upon such exports for their supplies. In consequence, the Belgian Government pledged itself to export a certain proportion of its product, and has consistently adhered to this policy, although it has meant, in some cases, shortage in her own industries. Such export as has gone forward, however, has served to strengthen Belgian exchange, and make it possible for industry to secure some much needed supplies.—Guaranty Trust Co., New York.

Substitute for Gasoline

A. B. Macallum of Toronto, chairman of the Honorary Advisory Council for Scientific and Industrial Research, predicts in the report to the Government that denatured alcohol will soon be used as motor fuel instead of gasoline. The pulp mills now waste enough sulphide liquor to supply 5,000,000 gallons annually.



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Saved by Sprinklers

On the night of Nov. 7, fire broke out in a large planing mill and sash and door factory at Ottawa. The building has a complete sprinkler system, and, though the very inflammable nature of the contents enabled the blaze to reach the roof, the fire inside was quickly extinguished by the sprinklers and without any important damage. The fire on the roof was soon overcome by a single stream from a fire hydrant. But for the effective work of the sprinkler system this large factory would have been a total loss. The sprinkler installation saved a valuable plant for the company and continuous employment and a regular pay envelope for the employees.

Control of Spreading Fires

The measures popularly advocated to control the spread of fire are four in number; namely, fire prevention, fire limits, fireproof construction and fire departments. None of these alone can prevent a conflagration, and records show that together they have failed in almost every instance.

Fire prevention is the attempt to reduce the frequency of fires. The preponderance of disasters from unknown and trivial causes appears to forbid hope of controlling conflagrations by strictly fire prevention methods. It has been previously pointed out that, on the average, only one in 20,000 fires has reached the magnitude of a conflagration. That one fire is the problem demanding solution. If fire prevention successfully reduced the occurrence of fires in Canada to 100 per annum, there is no assurance that the spreading fire would not be one of the hundred. That depends largely upon the location of the outbreak and the character of its environs. When a small frame dwelling in Hull, Que., caught fire, that was the identical place where Hull and Ottawa began to burn. A similar occurrence in an isolated farm dwelling in a country district would have been equally serious so far as the individual building was concerned but it could not have resulted in the partial destruction of two cities. To debar conflagrations, therefore, fire prevention must not only diminish the frequency of fires, but also establish the confines of the occasional outbreaks that occur.

Opinions on State Insurance

"The all-pervading cancer that is destroying the vitals of our state."—Dr. Ferdinand Friedensburg, for 20 years president of the Senate in the Imperial German Insurance Office at Berlin. "The German working man, undoubtedly the most exploited and fooled working man in the world, is compelled to work long hours for low wages."—James W. Gerard, American Ambassador to Germany, 1913-1917. "We need measures which shall increase individual responsibility rather than diminish it; measures which shall give us more self-reliance on society as a whole."—President Hadley of Yale University. "The doctrine of Compulsory Social Insurance springs from a system of government which today is obnoxious to more than two-thirds of the civilized world. The thought which gave birth to Compulsory Social Insurance in Germany was inspired by the desire to strengthen the power of the state, rather than to develop and protect the liberty of the individual."—Hon. Jesse S. Phillips, Superintendent of Insurance, New York.

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Fraternal May Increase Rates

The Dominion Commercial Travellers' Mutual Benefit Society, Montreal, is faced with the necessity of raising its assessments, as the only alternative to remaining actuarially unsound. The society commenced business in Quebec Province in 1875, and operates under provincial license. The rate question was brought up at a quarterly meeting on December 6, and will be submitted at the annual meeting on January 17. As older members would be required to pay much higher rates to make up for the insurance they have been carrying too cheaply, considerable opposition is anticipated.

Prospects for Influenza

Reports from Australia indicate that a recrudescence of the influenza epidemic occurred during the recent winter (which synchronizes with our summer). There were from 1,200 to 1,500 cases as a daily hospital average in Victoria. The mortality in Melbourne was from 10 to 12 deaths daily. In Sydney, a severe outbreak occurred in June, the mortality assuming serious proportions for one or two weeks. With milder weather in mid-July, the outbreak rapidly subsided.

We, in Canada, are now sustaining a prolonged cold spell, hence the necessity for the public to bear in mind that there is the danger of a recurrence of the disease in Canada. Every individual should take precautions against infection. Keep the body warm and guard against sudden changes of temperature. Guard also against fetid air. The more the bodily heat can be kept up by natural and the less by artificial means, the better. As "natural means" we include heavy clothing, nourishing food, air well supplied with oxygen, and physical exercise. Artificial heat is secured by fire through the various heating systems.

A person who is well fed and well clothed and who moves briskly can easily support prolonged exposure to the severest cold. The greatest danger in Canada is the shock to the system produced by getting over-heated indoors and then going outside in zero weather. This is also a prolific cause of colds.

Most Canadian houses are overheated in winter. Their average temperature is often higher than during the summer months and certainly higher than in spring and autumn. This is unnecessary, it wastes fuel and it endangers health. Women are prone to wear too light clothing in winter. It would be much safer for them to dress more warmly and have their houses ten degrees cooler.—C. A. Hodgetts in "Conservation."

Dominion Workmen's Compensation Meeting

A convention of representatives of workmen's compensation boards in Canada was held in Vancouver on December 4th. An Association of Canadian Workmen's Compensation Boards was formed, and S. Price, chairman of the Ontario Workmen's Compensation Board, was elected president. E. S. H. Winn, chairman of the British Columbia Board, was chosen vice-president, while M. B. Wormith, of Toronto, was elected secretary. The executive will be composed of the president, vice-president, and J. T. Stirling, of Edmonton, Alta., chairman of the Alberta Board. Toronto was chosen as the place of meeting in October, 1920. The boards will endeavor to bring about uniform legislation throughout the provinces. A resolution asks to have the benefits of compensation laws extended to all wage-earners whose average annual earnings are less than \$2,000. Another resolution passed advocates the vesting, through legislation, of the enforcement of accident prevention measures in the various boards.

Can West Have Steel Industry

Problem Depends Largely on Supply of Capital and Labor— Coal, Iron and a Shipbuilding Business Seem To Be Proper Combination For Today

At the recent meeting of the Canadian Mining Institute a lively interest was manifested in the long debated subject of the possibility of an iron and steel industry in the Province of British Columbia. The editor of Iron & Steel of Canada was asked to start the discussion, and delivered a series of remarks which were, in effect, a review of the history of the iron and steel industry of Nova Scotia, presented in such form that British Columbian auditors could make their own deductions on the analogies which exist between the extreme East and the extreme West of Canada in this connection.

The genesis of a successful iron and steel industry in Cape Breton Island came about through the presence of large deposits of coal, suitable for the manufacture of metallurgical coke, close to an excellent harbor, favorably situated with regard to world markets, near large deposits of limestone and dolomite, and within easy transportation distance of the unique iron-ore deposit of Wabana, Newfoundland. It may here be remarked that even the people of the East have not quite grasped the valuable and illimitable character of the Wabana deposit.

Coal had been mined in Cape Breton for seventy years, but the industry was backward. Winters of idleness and summers of rush and hurry to obtain the largest possible outputs, made for unsatisfactory labor conditions, general instability and lack of progress. The resources of Cape Breton lay dormant until a man of vision in the person of Mr. B. F. Pearson collected facts and figures and presented them so convincingly as to interest Mr. H. M. Whitney, with whose advent into Cape Breton there commenced those consolidations of scattered coal properties and the influx of capital which made possible the coal and steel industry of Cape Breton as it exists today. Many undesirable happenings, mark the Sydney "boom," but, whatever may have been the shortcomings of those days, the result has proved there is a legitimate place for the "entrepreneur," for the promoter of industrial enterprises who has vision and faith—but—before the promoter must come the careful compiler of commercial facts, who must demonstrate from the results of painful research and the slow accumulation of uninteresting but essential facts and figures that a sound basis exists upon which to found the projected industry. That the reward of the man who digs the foundation is often less than the reward of those who come after him seems to be one of life's ironies that must be accepted.

The lesson taught by events in Cape Breton and elsewhere, is that a steel industry in an outgrowth of the presence of coal.

The founders of the Cape Breton coal and steel industries appreciated the vital importance of transportation, and they provided large fleets of modern freighters.

Events have also showed that neither the steel companies nor the coal companies of Cape Breton are entirely self-supporting. One is the complement of the other. The underlying stability of the coal companies has enabled the steel companies to take advantage of periods of prosperity in the steel industry, the monetary results of which, in their turn, have greatly helped the coal companies.

The lesson that appears to be deducible from these gradual developments, is that the most successful and permanent combination of industry is that of an associated industry of iron and steel

manufacture, with steel-ship building, both based on large reserves of coal, iron-ore and fluxes, having a suitable maritime location.

If actual events in the East seem to be foreshowing the completion of such an evolution it should not be any matter for surprise, as such combinations have proved successful elsewhere.

In the application of this conclusion to British Columbian conditions, it is worthy of note that the technical conditions existing in Cape Breton were always most favorable, and such as might be expected to bring about cheap costs of operation. Nevertheless, the problems of the iron and steel industry have always been those of competitive markets and relative wages.

British Columbia has imperfectly known iron-ore deposits, but sufficient is ascertained concerning these deposits to show that they are large and valuable. The maritime and strategic location exists on either the mainland coast or on Vancouver Island, but most important of all considerations is the existence of coking coal on Vancouver Island.

The analogy between the relative position of the iron ore deposit of Wabana and Cape Breton Island, and the position of Vancouver Island to the known iron-ore deposits of British Columbia is very exact, even to the existence of large deposits of undersea coal on the extreme east and west coasts of Canada.

Fuel costs are basic in the steel and iron industries. The problem of iron smelting and steel manufacture is chiefly that of providing great heat supply at a low cost.

The possession of large deposits of coking coal of metallurgical grade is British Columbia's chief industrial asset.

It is questionable whether the people of the West realize the tremendous concentration of the fuel resources of Canada in the two Western Provinces of Alberta and British Columbia. The map which is attached to the Final Report of the Fuel Controller shows that Alberta alone contains more coal than all the rest of Canada put together, and also contains more coal than any single State in the American Union, besides being a vast potential oil reserve.

Empire and national growth follow the possession (and the utilization) of coal, and where coal and iron exists by the side of the sea, wherever true British stock is to be found, they must fulfil the maritime destiny of our associated British peoples. It is the way of the race. The future of coal, iron and shipbuilding on the British Columbia coast is not a purely local question. It is far wider in its implications, and imperial in its scope.

The considerations affecting a future iron and steel industry are primarily two, viz.:

- a. Technical questions;
- b. Economic and social questions.

Economic problems come first in importance. If a real necessity exists for the manufacture of iron and steel in British Columbia, the technical problems present no insuperable obstacle.

Dr. Stansfield's report on the manufacture of pig-iron from B.C. magnetites by use of the electric furnace is full, complete and authoritative, but it must be borne in mind that Dr. Stansfield reported as a professor of metallurgy, on certain set questions, and not as a promoter, and that since his report was made the knowledge of B.C. iron-ore resource has been enlarged. Dr. Stansfield's report is the document which will

(Continued on Page 36.)

A Business Trip To S. America

Some Observations by a Prominent Canadian Business Man on Effect of Bad Packing, Inadequate Consular Facilities High Exchange on a Promising Export Trade.

By H. J. FULLER,

President of Canadian Fairbanks-Morse Co., Ltd.,
at the Montreal Canadian Club.

I believe that the trade opportunities in South America under existing conditions are such that it is possible for Canada to take advantage of them, and I shall try to point out some of the ways in which this may be done. I am sure that all Canadians will recognize the limitations under which they labor and study how they may be overcome.

I got a through boat from New York to Valparaiso, which took twenty-six days. We disembarked at Colon for a couple of hours and then went on to Callao, Peru, the seaport for Lima. We left out Guayaquil on account of the Yellow Fever. Panama was formerly one of the pest-holes of the world but it is now one of the healthiest of places. They have not yet cleaned up Ecuador, but General Gorgas has now been engaged by the Government of Ecuador to clean up Guayaquil, and that country, one of the richest and most prolific in proportion to its population, will be open to development. I know one very prominent American concern that had an establishment there, the Grace Company, which withdrew entirely from trading in Ecuador because they thought it was not right to sacrifice the lives of their young men to obtain trade in that country where the mortality was so high.

We disembarked at Callao and one of the interesting things there was our first sight of goods being taken off the ships. It was a sad sight to see. Much of the merchandise was coming from the United States and the evidence of the complaints of which we have often heard of inferior packing was right there to be seen; valuable goods were absolutely ruined with the cases insufficient to protect the goods. That is the first thing that made me realize how little we knew of what the goods had to go through.

Overwhelming Hospitality.

We were met, when we arrived there, by two groups of friends who knew of our coming, and this gives me my opportunity to say to you that if you ever go to South America you will be absolutely overwhelmed with hospitality from your landing to your departure. The people there have a lot more time to be nice than we have and they are much more polite than the people in the States.

I suppose you know that in Peru it never rains. It actually never does rain except once in about five years when they have a very heavy shower, and then they have a terrible time because the roofs of the houses are not designed to protect them from rain and when this shower comes the houses are apt to dissolve in mud. I had the great pleasure of being met by some gentlemen with whom we established connections and they took me to see their Machine Shop; it was right out in the field and there was a floor of baked mud with the sides wide open. These young men were educated in the United States and they were operating this machine shop and they did some very wonderful work, particularly in rehabilitating of German boats which had been interned during the war. Their shop consisted of posts with galvanized iron and entirely open on the sides. I said "What do you do when it rains?" and the young man replied, "But it never rains."

Lima lies fourteen miles from the Coast. I was taken up to that city in a certain make of American car—and I noticed only two kinds of cars, one was a Marmon which was sold by this concern, and the other was the inevitable Ford.

Early Shipment and Good Service.

The point I wish to emphasize is that early shipment and satisfactory service is the basis of foreign trade. Those getting in early and establishing their business are apt to hold their trade because the people there are much more lath to change their sources of supply than in most countries.

I had the pleasure while in Lima, of visiting a cotton mill operated by the Grace Company. I was told that it was the most complete cotton mill in the world; not only is the cotton raised in Peru and of a very superior quality but they also convert it and carry it through all the processes and turn out the finest quality of finished fabric; they even make an imitation watered silk out of it.

I hoped to visit the sugar plantations but I had no time. As you know, Peru, at the present time, is producing ten per cent of the sugar produced in Cuba and this is a very important item. Peru is also rich in petroleum of a high quality. This product is controlled there by the Canadian Imperial Oil Company and not only are they able to supply the requirements for local uses but the balance is shipped to California where it is used to raise the grade of the asphalt base. There is great opportunity for development there.

A Little Revolution.

I had a little touch of an experience there which gave me the first line on what a Revolution is like in South America. I was going through the streets in Lima—they are very narrow and much like the streets in Lower Town at Quebec. We suddenly saw a crowd or a mob of people rushing down the street shouting "Viva Leguia!" "Viva Leguia!"; the crowd came along and took the President and put him in jail and then they gave him forty-eight hours to get out of the country. That is what they call a Revolution, but it did not cause anybody any trouble at all beyond what I have described.

The next thing I will speak of is that we went on down and stopped at the first port South of Peru and we had our first experience with the Pacific swell. The ocean there was very clear yet the total amount of rise and fall, without any wind or storm, is about fourteen feet; that means, when you try to disembark from the boat on the ladder you simply have to hang on and wait until the boat comes up to you and step into it. That is the thing that makes it absolutely impossible for them to tie the ships alongside the wharves and therefore everything has to be disembarked into lighters and the lighter is going up and down and the boat is rocking and the goods are dropped by means of slings and they are receiving the most severe usage. It is not infrequent to have such a combination that some goods—heavy machinery, for instance—go through the bottom of the lighter and are lost and this is sometimes very awkward. Heavy machinery often consists of many packages of the different parts and if one case is lost the whole shipment may have to be held up until they can replace the lost parts.

Package Numbers Essential.

In doing this South American trade you have to know exactly what is in each and every package so that by giving the package number you can get the same pieces that the other contained. can cable for a duplicate of that package and get the same pieces that the other contained. That is very important and there has been much

complaint against American shippers in that respect.

The various coast ports at which we stopped on the way down were all very interesting. We struck the Arica-Patna district, which is the Alsace Lorraine problem of South America, and there we had our first experience of a real desert. We took a railroad motor car and went from Arica to Patna fifty miles through the desert, where we saw some wonderful mirages. We also noticed on this desert the remains of an old battle cruiser three or four miles from the coast, deposited there by a tidal wave many years ago.

Now we come to Chili. Chili is very much like Canada, it is three thousand miles long and a hundred and twenty-five miles wide; that is, the boundary line is the apex of the Andes Mountains and between Arica and the coast is the intermediate range of Cordilleras; between the two is the valley, the agricultural district. This means that the central part is very barren but rich in mineral resources and nitrates. When I was there in February or March the shipment of nitrates had practically ceased because the enormous shipments for the purpose of manufacturing munitions had suddenly ceased and in many cases they had to dissolve these nitrates for agricultural purposes. Now, inasmuch as about forty per cent of the entire revenue of Chili comes from nitrates duties things were in a very bad shape, but things however will right themselves because these nitrates are of very great value for agricultural purposes, but the Government of Chili had become very extravagant during the period of extraordinary prosperity and the situation had become critical.

High Exchange Kills Trade

We are at present very much interested in the Exchange situation. The normal Exchange of the Chilean peso or dollar was three and a third pesos for an American dollar; now, at the time we were down there, we got five and a half pesos for an American dollar, which was more than sixty per cent over normal. See what effect that had on the merchants there, because no one would pay that Exchange and the people would not buy goods. A friend in Valparaiso said to me, "Here is a Cadillac Car which I sold for seventeen to eighteen thousand pesos formerly; my customers thing this is the price and will not pay more but for that car, at the present rate of Exchange, I have to charge them twenty-seven thousand pesos, as a result I have the goods on my hands and they become stagnant."

Of course this kills trade for the time being but still it means that it is a splendid thing for the country, just the same as I think the present Exchange rate is a splendid for Canada because the people will import less from the other countries; people will live more economically and it will encourage manufacturing in Canada.

Now, Chili has two out of the three largest copper mines in the world; one back of Antofagasta, with a steam plant burning oil, located on the East Coast and transmitting power back one hundred and twenty-five miles at an elevation of twelve thousand feet by means of electric current. The other great copper mine is the Braden Copper Mine, owned by the same interests. Our visit to the Braden Copper Mine was most spectacular and enjoyable. We made this trip to Santiago, thirty-five miles, where we took the narrow gauge railway which in thirty-six miles climbed to an elevation of over ten thousand feet with over one hundred curves of less than one hundred feet radius, along the edges of cliffs and we were all only hoping that the car would stay on the track. When we got up to the Mine the Manager apologized for the two chauffeurs we had and said that his two best men were away and he was worried to know whether we would get through or not.

Crossing of the Andes.

The crossing of the Andes is a very interesting trip but it does not begin to compare in any re-

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(Continued from Page 34.)

spect with the crossing of the Canadian Rockies. The mountains there are barren of vegetation, great rocks of a dark brown color, not picturesque at all, but of course it is very grand and imposing from the standpoint of huge size because they are over twenty-one to twenty-three thousand feet in height.

You go to a place called Los Andes, on the Pacific Coast side, and there you leave the wide gauge line and take the narrow gauge, and the final altitude is taken through a tunnel of about thirty-five minutes. The locomotives burn coal of a very inferior quality and it is a very trying experience to make the trip.

When we came to Mendoza we struck the Central Railroad. We were told this was a very wonderful railroad; the cars were the English corridor cars, very large and roomy but frightfully dirty. We got on this train late at night and we were surprised in the morning on getting out at the first station we noticed that our locomotive was burning beautiful yellow corn, corn on the cob; the tender was just full of this corn and at every station we saw great piles of wheat in boxes and the wheat was running out of the boxes and was eaten by the rats. At the same time we were there there were about two and a half years normal wheat production unshipped owing to lack of shipping.

One of the most surprising things I learned, particularly when we got to Buenos Aires; we saw outside of the pumping station a pile of this character three hundred feet long, one hundred feet wide and twenty feet high which was to be used as fuel, and I was told that really the Argentine was not a wheat-growing country at all; I had always supposed it was, but the Controller for the British Government in charge of getting beef and grains from the Argentine for the Allies, who is connected with a firm that is well known to you, said "This is not a wheat-growing country; only in the last two years did they have a wheat crop that would pay for the cost of production; they spend more for labor and seed than they get out of it."

The thing they are going to do there to a wonderful extent, and the thing they are doing to-day, is to raise cattle. The amount of land under cultivation for growing cereals is probably forty per cent less than the average, which shows that the growing of grains is being abandoned for the growing of cattle. The American packers have put up at La Flata a large, modern, magnificent plant for the production of beef.

Buenos Aires a World Market.

I want to say to you that Buenos Aires with a population of one million eight hundred thousand has represented there manufacturers and producers of goods of the whole world; you will find houses of Italians, French, Germans and Americans and of every race. If you want to know whether you can compete on the world's markets you had better go to Buenos Aires and try it.

The situation of the Argentine when I was there was very deplorable; there were strikes every single day. There was one great strike which lasted for twenty-four hours, not a single thing moved; there were no lights in the cities, no street cars, no taxis, no waiters or elevator men at the hotels. The Government was very weak and delegations of the people would go to them one day and say to the President that the country was going to the dogs and he would promise he would do something; the next day the labor leaders would go to him and he would try to please both parties, and the result was that nothing was done. One thing they said was done, and I think it is true, they took sixty Spanish anarchists, put them on a barge and towed them out to sea about a hundred miles and, unfortunately, the rope broke and they lost the barge.

There is one thing I want to emphasize. I met some of the big men of Buenos Aires who had formed committees to safeguard the community, as the gentlemen did in Winnipeg—all honor to

them. These gentlemen said that no matter how badly they felt about the situation and no matter how anxious we are to have the present Government deposed, we will never have another revolution because the Argentine cannot stand without a stable government; we are going to let things go on in the ordinary way and when the time comes for the next election we will elect people who will rule in a right and proper way. This shows that the Argentine will come through all right.

There is one thing I made note of and that is the law of the Argentine provides that there should be a fine of ten dollars for any man not going to the poll on election day.

Japanese in Great Numbers.

Another thing that was very interesting was to see the enormous number of Japanese. They were not there as we were there, alone, but they had their families with them and they came to stay. The Japanese will be a tremendous factor in the trade of the country and they will have to be reckoned with.

We went across to Uruguay, which is one of the model countries of the world. In Montepideo, with a population of only about four hundred thousand we found a most prosperous community. It was rather humiliating though to go to the bank and put in a hundred dollars in American money and get only eighty-six local dollars for it. That is the only country where the balance of trade was favorable to it, because their product is cattle which they sell at high prices. We went to the Cattle Market, ten miles away, and saw herds of cattle which were being sold to buyers.

My notice was particularly brought to the fact of the tremendous hold which gambling has on the people in the cities of South America. Lottery tickets are being sold everywhere and of course that saps the people; it comes out of the pockets of the poor people. The lotteries are run by the Governments in all countries except Chili, and there the Argentine lottery tickets are sold.

In Montevideo the hotel owned by the City has attached to it a room where there are twelve Roulette Tables, and the privilege is auctioned every six months and had just then been sold for eight hundred thousand dollars for the next six months, Uruguay gold.

We went on to Brazil, fifty-six miles from Montevideo and got off at Santos, the great coffee centre. Sao Paulo has a wonderful railroad, English owned, built under a franchise which provides that in no case must the earnings exceed ten per cent. You go up the line by means of five stages. The train will run along on the level and then strike an incline, the locomotive and train is attached to a cable and there is another train coming down and the two balance each other, and you have these lifts five times on the trip till you come to the top and in a short run you are in Sao Paulo.

Italians a Big Factor.

I did not speak about the wonderful influence of the Italians in South America. Every place you go all the good things seem to be done by the Italians more than anybody else. The only communities that are really prosperous and self-supporting and free from the tenant system are the Italian colonies. Forty per cent of the population of Buenos Aires is Italian and in Sao Paulo practically all are Italian, the workers and all classes of people, the bankers, are Italian, and they certainly are the people who are developing the country.

We went to Campinões to see the coffee growing, where we saw agricultural farms devoted particularly to the raising of collee, and they also raise cotton. I was surprised to note the character of the country; it is much the same as in New England; they always have cool nights; conditions are excellent and the opportunities there are practically unlimited.

One other thing that was very interesting was to go to the Snake Farm where they have every



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variety of snake for the purpose of extracting the anti-toxin which was distributed to counteract snake bite. I could see in every way that the Government of Brazil was intelligently trying to further the interests of the people and I heard nothing but respect for the way in which the business was carried on, although they have a scheme which I hesitate to mention for fear that it will be adopted here, and that is to provide a great amount of patronage; in fact they have created a waiting list and you get paid while you are on this waiting list for patronage.

World's Loveliest City.

We came to the end of our journey at Rio, the most beautiful city ever seen in this world, a population of a million people, modern in every respect. Nature has done more for it than any other city I have ever seen. You will find there every single opportunity which anybody could have to do business and enjoy life. I think if one could do nothing else in going to South America they should prominently visit Rio.

In conclusion I simply want to say to you that the way to get into business in South America is to get down on the ground itself and study conditions. Then you must have somebody there who knows you and knows what you can do. It is absolutely useless to try to work through the Consul's Office. For instance the American Consul in Rio, when I called there, had a pile of over five thousand letters and he said he could not answer the communications he received as he was only allowed three stenographers, and had no filing cabinets and insufficient space. People who are going to depend on that man will never get anywhere; you have to do it yourself and when you do it, then go back and get your Government in your country to back you up by giving facilities which will put them in conjunction with the other people there to carry on the necessary trade and commerce, but you must do your part first.

Can West Have Steel Industry

(Continued from Page 33.)

most interest capitalists with serious intentions.

The iron industry of British Columbia, which the future is quite likely to see—should not require aid from new and untried processes. It can, as Dr. Stansfield pointed out, be operated with complete technical success by using the ordinary and accepted methods of metallurgy which have been profitably employed elsewhere.

There is no necessity, and it would be a grave mistake, to be misled by unconfirmed reports of secret processes by which magnetite ore can be converted into steel by the electric furnace.

The economic problems resolve themselves into the question of a market. This should be made the subject of a careful statistical survey of local consumption of iron and steel, and the consumption in that territory over which a British Columbia plant could compete, which should include Alberta, the Yukon, Alaska, and the Northwestern States.

As to an export market, there would appear to be a good opening on the coast of South America, and while China will some day become the world's greatest producer of coal and iron, yet for the life of this generation, and maybe for fifty years, she should provide a market for pig-iron and steel products.

All these things will require to be compiled with exactness, and made ready for presentation to investors in a form suitable for study.

The social problems include the availability of suitable labor. An iron and steel industry requires a large number of unskilled laborers, and a smaller number of expert workmen, and there will be associated with the provision of these necessary workmen large questions of transportation and housing.

There is another feature. Capital today is

very timid, and it has reason to be. Before investors will find large sums of money for an iron or steel plant in British Columbia, substantial guarantees of safe investment must be given, and the social evolution of the Province must include the fostering and protection of invested capital.

From the experience in the East, the things which should be avoided in commencing an iron or steel industry include the following:

- a. An unnecessarily large initial capital expenditure.
- b. The establishment of a plant of a character too greatly in advance of local markets.
- c. A plant of an unbalanced character, requiring orders representing a large tonnage of one product in order to keep running.
- d. Too great reliance on subsidies. Subsidies, while necessary perhaps in the initial stages of a new industry, should not be regarded as part of the permanent income of any enterprise.

These may seem elementary statements, but in the East they have been taught by painfully acquired experience.—Iron & Steel of Canada.

Course on Life Insurance

Winnipeg life insurance underwriters have under consideration the arranging of a short course at Manitoba University dealing with life insurance and kindred subjects during the winter. A course of lectures, to be given during a week to be decided upon, has been suggested.

The Double Track to Toronto

The direct line of the Grand Trunk Railway System offers to travellers the ideal route between Montreal and Toronto. It is double tracked all the way and the splendid train equipment in

use makes the journey a pleasure. The International, Limited, which leaves Bonaventure Station daily at 10.00 a.m. is composed of parlor cars, Pullman drawing room sleeping cars, dining car and modern coaches, and reaches Toronto at 5.40 p.m. The Grand Trunk also operates two excellent night trains, one departing at 7.30 p.m., arriving Toronto 6.00 a.m. and the other at 11.00 p.m., arriving Toronto at 7.30 a.m. On the 11 o'clock train there are Pullman drawing room sleeping cars, including club compartment drawing room sleeping car and latest type of coaches, and there are drawing room sleeping cars (which may be occupied until 7.00 a.m. at Toronto) and latest type of coaches on the 7.30 train.

Dividend Notice

The Steel Company of Canada Limited

Ordinary Dividend No. 12

Notice is hereby given that a dividend of one and three quarters per cent has been declared for the quarter ending December 31st, 1919, together with a distribution of three-quarters of one per cent on the issued and fully paid Ordinary Shares of the Company, making a total dividend of seven per cent on the Ordinary Shares for the year ending December 31st, 1919.

Preferred Dividend No. 34

Notice is also given that a dividend of one and three-quarters per cent on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending December 31st, 1919.

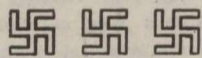
The above dividends and distribution are payable February 2nd, 1920, to shareholders of record at close of business January 10th, 1920.

By order of the Board,

H. H. CHAMP,

Treasurer.

Hamilton, Ont., December 11th, 1919.



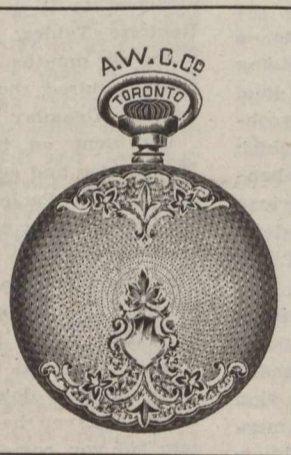
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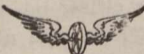
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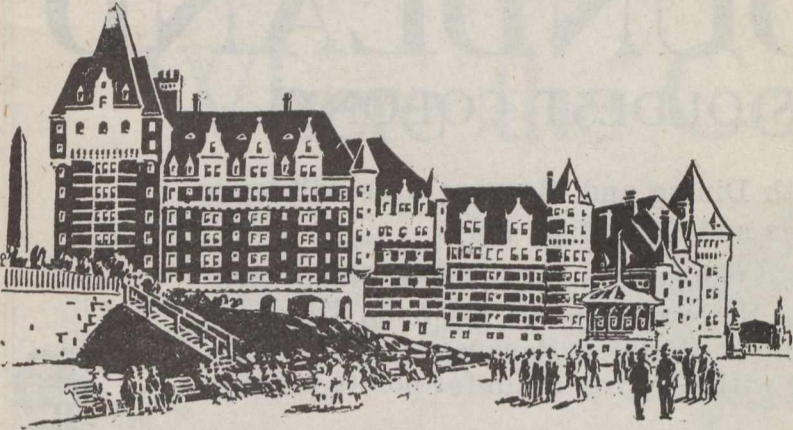
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THE EMPRESS, Victoria, a luxurious hotel that appeals to the artistic sense, in a city of picturesque homes and Old Country atmosphere.

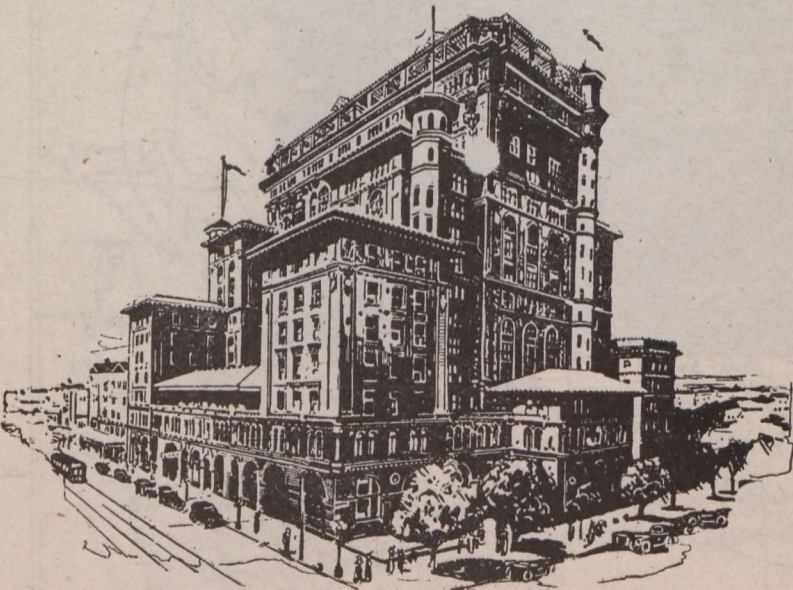
The above hotels, and others similarly situated at strategic points on the main transcontinental line of the Canadian Pacific Railway at McAdam, N.B., Sicamous, B.C., and Penticton, B.C., are open all the year round. Six other hotels, including four in the wonderful Canadian Pacific Rockies, are open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

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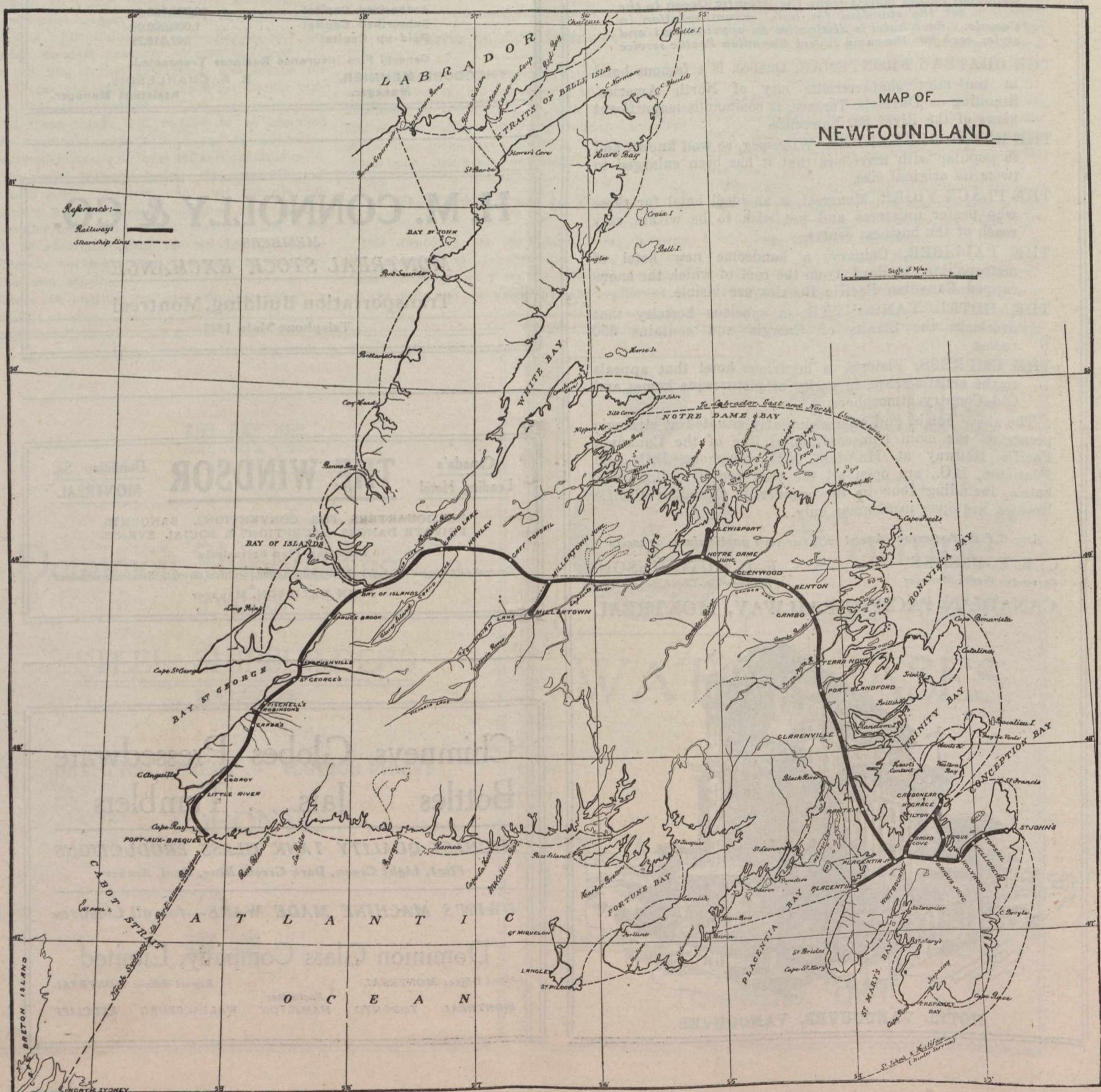
For the Winter Months, an Express Train with Dining and Sleeping Cars will leave St. John's on Sundays, Tuesdays and Thursdays only.

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



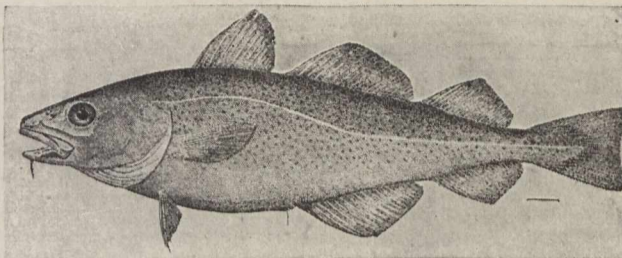
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The climate of Newfoundland is more temperate than that of the neighboring Maritime Provinces; the thermometer rarely sinks below zero in winter, while the summer range rarely exceeds 80 deg. F.



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

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

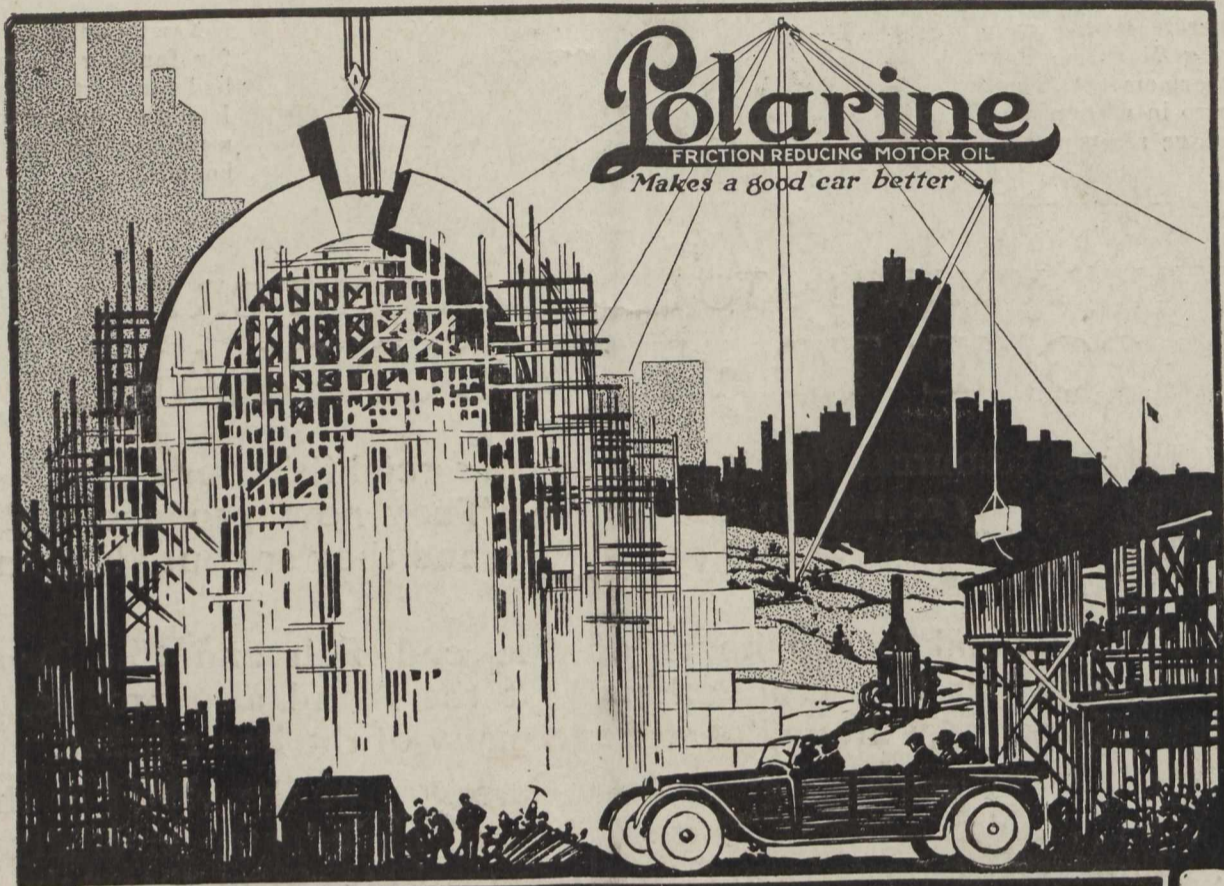
Newfoundland is the home of the cod fish and this forms the largest item in her fish production. But the island also produces large quantities of herring, salmon, lobster and many of the lesser fishes.

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



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

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



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