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The Journal of Commerce

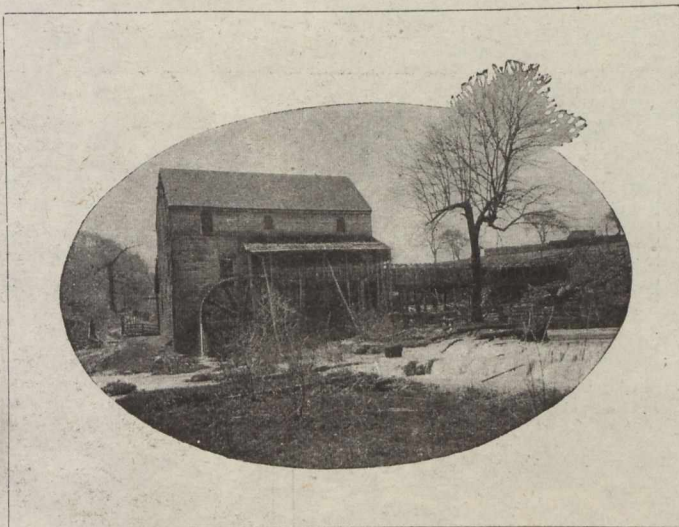
MONTREAL, CANADA

VOL. XLVIII, No. 19

GARDENVALE P. Que., MAY 11, 1920

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The Flour Milling Industry in Canada

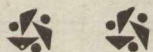
BETWEEN THE MILL-STONES OF CAPITAL AND LABOR

ARE THE PEOPLE, AS A WHOLE, GREATER AND MORE POWERFUL THAN EVEN THE MOST THOROUGHLY ORGANIZED MINORITY ?

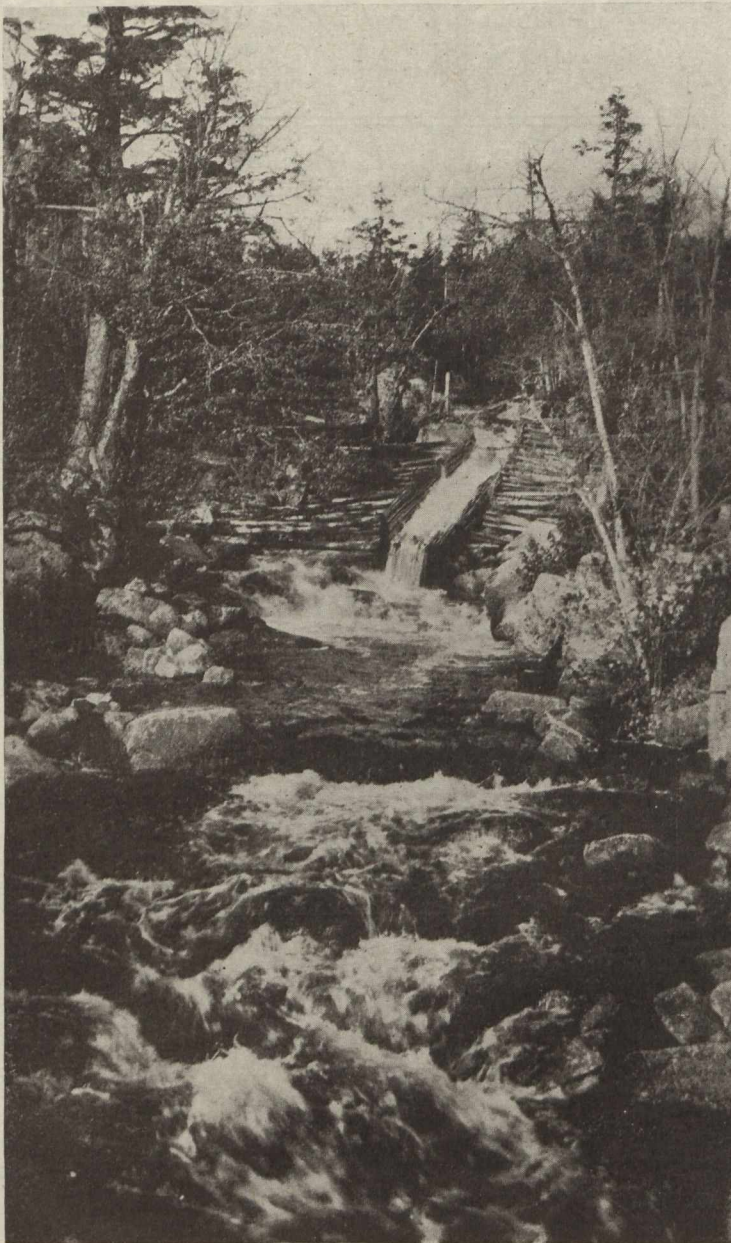
WHEN AGGRESSIVENESS ON THE PART OF LABOR, AND RUTHLESSNESS ON THE PART OF CAPITAL, RESULT IN A DEBACLE OF INDUSTRY, THE GREAT MIDDLE CLASS BEAR THE BURDEN.

—A Union of the Middle Classes, Page 25.

Nova Scotia Water Power



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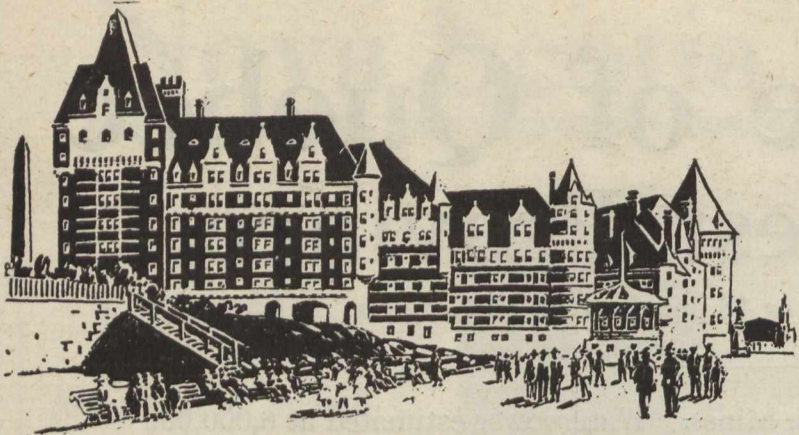
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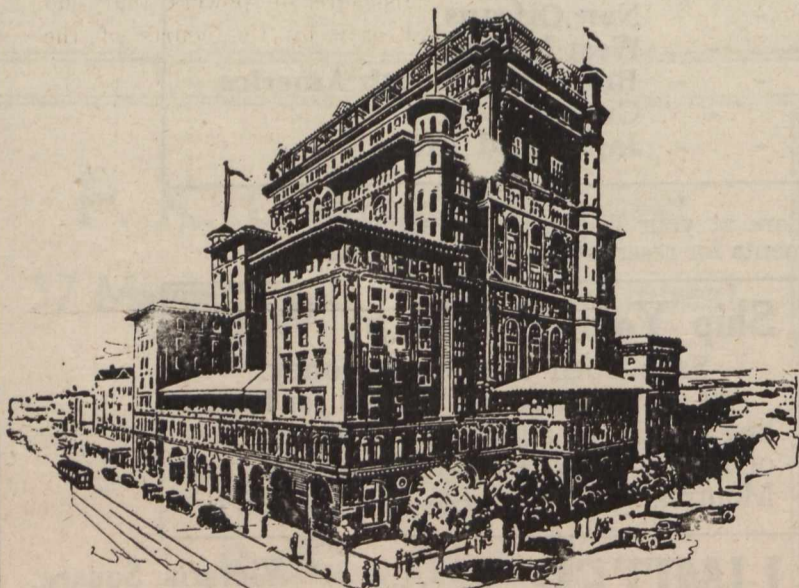
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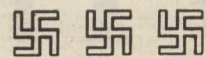
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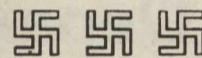
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The Journal of Commerce

MONTREAL, CANADA

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Disallowance and Dolly Vardon

THE Canadian constitution provides that a law passed by a Provincial Legislature may within a year from its passing be "disallowed," vetoed, by the Governor-General, this of course meaning by the Dominion Government. In the earlier years of Confederation this provision gave rise to much friction between Federal and Provincial authorities. Sir John A. Macdonald, always a centralist, was inclined to the view that the Provincial Legislature was a subordinate body to the Federal Parliament, and that the Federal Government had an unrestricted right to veto Provincial laws. The Provincial authorities, led by Sir Oliver Mowat, then Premier of Ontario, strenuously opposed this view, claiming that within their specified sphere the Provincial Legislatures were as independent as the Federal Parliament, and that while the right to disallow a Provincial law was not expressly limited by the British North America Act, the spirit of the constitution required that such right be exercised sparingly and for certain causes only. On this and some other constitutional questions of a similar character there was a long battle between Sir John and Sir Oliver, the general result of which was a victory for the Provincial representative. Out of these contests came a recognition of Provincial rights which has been strengthened with the passing of the years. The doctrine that the Dominion Government have an unrestricted right to disallow a Provincial law is no longer held at Ottawa.

This question of disallowance comes up again in an acute form in connection with some recent Acts of the British Columbia Legislature, relating to the affairs of the Dolly Varden Mining Company, a company operating a silver mine in that Province. The facts of the case may be open to dispute. We state them as they are given in the press by one side of the controversy. The Mining Company made a contract with the Taylor Engineering Company for the construction of a railway to the mine. Disputes and financial difficulties arose. The Engineering Company did the work. The Mining Company were unable to pay, or at all events did not pay.

The matter came before the Legislature in 1919, when an Act was passed purporting to transfer the Mining Company's property to the Engineering Company. The Mining Company petitioned the Dominion Government for disallowance of the Act. The Dominion Minister of Justice reported that the dispute was one to be settled by the courts and not by an exercise of the power of disallowance at Ottawa. At the session of the British Columbia Legislature which closed a few days ago, "at midnight in the dying hours of the session," the Provincial Government introduced and carried a measure confirming the former one, distinctly vesting all the Mining Company's property in the Engineering Company, and providing that no action questioning the transfer should be entertained by the courts of the country.

The Mining Company and those who sympathize with them claim that this latest Act, especially the clause shutting the company out of their right to appeal to the courts, is an indefensible interference with the course of justice and calculated to do great damage to the credit of the Province by creating among capitalists a lack of faith in the British Columbia Government and Legislature.

If the facts are as thus stated, the case looks bad for the British Columbia Government, looks like a grave injustice to one set of litigants for the benefit of another, looks like an assumption by the Government and Legislature of powers that should be exercised only by the courts of the country. All who are interested, however, will do well to reserve judgment until the British Columbia Government's side of the story is heard. The Premier of the Province has become known as "Honest John Oliver," and few even of his opponents have disputed his right to the title. Honest John must be allowed a hearing before he is condemned.

In the meantime, the principles governing the question of disallowance do not seem to be affected by the facts of this case, even if they are as bad as they are represented to be. A Provincial law may be disallowed on the ground that it is beyond the power conferred on the Provinces by the B.N.A. Act. Where a law is distinctly of that character, early disallowance is justifiable and may

save much trouble. There are cases, however, in which there is room for doubt on the point of the legality of the Act. In such case the public interests will be best served by leaving the Provincial Act to its operation, to be challenged, if need be, in the courts. Where a Provincial Act clearly conflicts with some Imperial or Dominion Act, the power of disallowance is properly exercised. But where none of these questions arise—where a Provincial Act cannot be successfully attacked on the ground of ultra vires or of conflict with any Imperial or Dominion law—it will be hard to find reasons for a disallowance. The allegation that an Act is a bad one, that it is unjust to somebody, is not a ground for disallowance. The question of what is just or unjust, right or wrong, is a question for the Provincial Legislature to consider and decide. If the injustice be clearly established, if indeed, it be admitted, the only remedy is to refer the parties concerned to the Legislature to ask for repeal or amendment. Neither the Federal Government nor the Federal Parliament is a court of appeal on such a question.

Big Business

THAT large business organizations are a menace to the public weal is the note running through the speeches, in the House of Commons at Ottawa last week, of those who attacked the reported formation of the British Empire Steel Corporation, the purpose of which is to amalgamate the two large steel and coal companies of Nova Scotia and several ship owning and shipbuilding companies. The mention of a capital of five hundred million dollars was in itself enough to alarm some people, and probably many were ready to accept the view that such a large capitalization implied something adverse to the public interests.

It is to be regretted that such conclusions are reached by so many people without due consideration. Size alone should certainly not be deemed a ground for objection. Much smaller organizations may be formed under circumstances which are more likely to encourage rash speculation than serious development of our industries. Whether a new enterprise be projected on a large or small scale, the character of it must be judged from the nature of its undertaking, and the standing of the men who are behind it. We are living in a day of big things. Properly conducted, a large enterprise should be carried on more efficiently and more economically than a number of smaller concerns.—The consolidation of a number of companies under one control should make for large savings of expense in the management. Competition in business, keen enough at all times in this age, is likely to become keener in the new era upon which the world is entering. Small

enterprises in Canada could hardly be expected to compete successfully with the powerful combinations that exist or are being formed in other countries. From this viewpoint the formation of the British Empire Steel Corporation, if it is in the hands of responsible men and surrounded by the guards which are required in all good business, is not to be condemned, but should be welcomed as a new and valuable instrument in the development of our vast natural resources.

There is in the public mind a natural fear of large organizations, lest they take the form of monopoly. There are many local interests in the various companies concerning which there will naturally be some anxiety as to the effect on them of the new arrangements. As to the fear of monopoly, there is on the statute book law to protect the public against the undue exercise of power. As to the many local interests affected, those connected with them should see that they are protected in the terms of amalgamation, as far as that can be done in a business transaction. If satisfactory assurances can be given by the promoters that no public interest will suffer from it, the large capitalization should not be deemed an evil.

Let it not be forgotten that great as these resources are they can only be made of value through the application of capital. If the creation of this large company forms a ground to which we can draw the capital and the experience of men who have been successful captains of iron and steel industries in Great Britain, surely that will be of much value to the Dominion and to the Empire. Let the iron and steel merger be as carefully guarded in its charter as any business enterprise can be. But let us not look upon it with suspicion merely because it proposes to do big things for Canada in a day when the world is doing big things.

John Bull, Uncle Sam, and Pat

THAT the Irish propaganda in the United States, the public subscribing to the bonds of the so-called Irish Republic, the official welcome by some mayors and city councils of Mr. de Valera, who calls himself "President" of that somewhat nebulous Republic, should annoy loyal British subjects everywhere is easily understood. It is not so easy to understand how Britons of responsible positions can expect the United States Government, or any other public authority in the United States, to prevent such manifestations. True, these proceedings, as Mr. Bottomley said in the British House of Commons on Thursday, are "unfriendly acts toward a friendly nation." But they are the acts of individuals who, under the free institutions of America, have a right to speak their minds. In nine cases out of

ten the aldermen and councillors who vote to welcome Mr. de Valera care nothing about him or his alleged Republic. They assent to the resolution of welcome because in every city there are a number of Irish voters who, it is supposed, can in this Presidential year be influenced in the playing of the political game. Since this fact is well understood, and since there is no reason to doubt that the Government of the United States are desirous of maintaining friendly relations with the British Empire, it is a pity that anybody holding a responsible position takes notice of the propaganda to which reference is made. If those who are promoting these movements in the United States are stirring up trouble between the British and American people, is not a somewhat similar fault committed by those in responsible positions who take official notice of the matter and complain because the American authorities do not prevent such demonstrations?

In a recent issue we commented on the indiscretion, as we viewed it, of the British Consul-General at New Orleans, who issued a public protest against the action of the City Council of that city in giving an official welcome to Mr. de Valera. The Consul's action, we felt, could serve no good end, but would make the leaders of the movement more determined to assert their hostility to all things British. This view, we are glad to see, is taken by the British Government. Mr. Bottomley, Mr. Wedgewood Benn and Mr. Chadwick urged that the Government should take some action to resent what one of them described as "the malicious campaign which was destroying the friendly relations between this country and the United States." Mr. Chadwick referred particularly to the official welcome extended to de Valera in New Orleans, and wished to know "whether any representations had been made to the United States in the face of this deliberate insult by an ostensibly friendly power."

There was wisdom in the answer of Mr. Bonar Law, who said that "he was quite satisfied the good feeling of the United States was not represented at all by such demonstrations, and he did not believe that any action the British Government could take against them would have any other effect than to make the relations worse."

Nothing would please Mr. de Valera and his sympathizers more than to be able to feel that their movements are bringing the Governments of Great Britain and the United States into conflict. The action advised by the over-zealous members of the British Parliament would play Mr. de Valera's game. The British Government very properly refuse to play it. The American Government, we are sure, will feel that in taking the course they do the British Ministers are exhibiting wisdom and promoting the good relations between the two countries which Mr. de Valera and his friends so ardently wish to destroy.

Wheat Acreage Decreased

Weather has held up seeding in the West — Feed situation is better — Lack of houses forcing people to camp out at Winnipeg.

By E. CORA HIND.

Winnipeg, May 4.—Conditions as to seeding are showing some slight signs of improvement and Provincial Governments are issuing rather optimistic reports on what is being done. As a matter of fact small areas of seeding have been started in the southern sections of all the provinces with possibly the larger number located in southern Manitoba, but throughout the week there have been general frosts night after night, some nights as severe as 20 degrees and while these frosts prevail spring work must be retarded. On the 25th there was a heavy snow storm at Regina and some other points in Saskatchewan, on the 27th and 28th there were heavy snow storms at Calgary and Edmonton, while lately cold rain and sleet has fallen all over Southern Alberta. It must be understood that these snows do not last, but in the melting they render the ground unfit to work, and followed as they are by night frosts, help to delay seeding.

The one outstanding optimistic fact this season is the general and abundant supply of moisture throughout the entire west.

Wheat seeding cannot profitably be indulged in after the 15th of May and indeed so successful and practical a farmer as the Hon. W. R. Motherwell, former minister of Agriculture for Saskatchewan, is the author of the statement, "the man who seeds wheat after May ten in the prairie provinces deserves all he gets and is very apt to get all he deserves"; in other words wheat seeded after May ten is more or less of a gamble. As under the most favorable conditions from now on, wheat seeding cannot be general especially in the northern parts of the provinces, before May five it stands to reason that either the acreage will be much reduced or there are many men who are going to gamble on the season. Personally, in view of the high price and scarcity of feed, the poor condition of many of the horses and the exorbitant demands of labor, my opinion remains as heretofore, that there will be a very marked decrease in acreage.

The Feed Situation.

A reliable correspondent in Alberta writes that at the present time the hay situation is easier. The weather is milder, though in the north there is still considerable snow, and in practically every place in the province there is enough feed. The department of agriculture has imported in all, about 3,000 cars of hay, of which some are still to be delivered and there is reasonable hope that there is now enough to carry through spring seeding. The highest price which the Alberta Government has been obliged to charge for hay, has been \$45. The same correspondent reports that the loss of calves, owing to the thin condition of the cows, will be very heavy.

Manitoba, after starting the season with abundance of hay, is now obliged to bring it in from the east and south, the government, today announcing the further purchase of 400 tons in North Dakota.

Mill Feed Legislation.

The west is very deeply interested in the proposed legislation to have the control of mill feeds, etc., placed under the department of agriculture, indeed the request for this to be done originated in the west and at the annual meeting of the Western Canada Livestock Union in Victoria last November a very strong resolution along this line was formulated. This resolution later received

the endorsement of practically all livestock organizations in the west, many in the east, and finally of the Eastern Canada Livestock Union and was presented in person to the Minister of Agriculture by representatives of both Eastern and Western Livestock Unions.

The adulteration of mill feeds by the grinding up of wet seeds and other trash has been the cause of the loss of large numbers of livestock, more especially young pigs, and livestock men not only ask that the administration of the law in regard to these feeds be transferred to the Department of Agriculture but that an act be passed setting standards for all commonly sold classes of feeds which are made from grain or its by-products, and that such act shall provide for a microscopic analysis of these feeds in addition to the chemical analysis.

Amending Grain Act and Decontrol.

There will be a delegation of grain men in Ottawa next week, in connection with the proposed changes in the Canada Grain act and new regulations in regard to lake shipments of grain, to wit, the bringing of lake shipping under the control of the railway commission. It is understood the question of the decontrol of wheat may also be up for discussion.

A good deal of space has been given in western papers to the list of questions which Col. Peck

announced he was going to ask in connection with the control of lake shipping during the war. Long before there was a board of Grain Supervisors or a Canada Wheat Board the owners of various Canadian shipping companies got together and established a chartering committee to handle lake tonnage, indeed this chartering committee came into being almost directly after the Allied buying commission commenced purchasing through the Wheat Board Company and practically the only control the Board of Grain supervisors or the Canada Wheat Board had over this chartering committee was established in 1918 when the Board of Grain Supervisors was given the power to allocate tonnage and this power was continued in the order-in-council establishing the Canada Wheat Board. Neither of these boards ever had any control over rates to be charged. The chartering committee ceased to exist at the close of navigation last fall and this season the various vessel agents are back on their own, and competition for cargoes will no doubt be keen when a new crop begins to move.

Employment Conditions.

Manitoba's provincial superintendent of employment reports that during the past week employment has been found for 1,410 men and 173 women.

Great Housing Difficulties.

May day moving this year presents great difficulties as houses and suites are almost impossible to obtain. The Mayor of Winnipeg has announced a relaxing of the regulations of the city in regard to camping and many hundreds of people will pass the summer intents on the river banks and in the suburbs of the city. Not only because of houses and suites being scarce but in a good many instances to avoid the exorbitant rents being asked by landlords.

Practically the same conditions apply in all western cities.

Availability of Russian Wheat

Before the war, Russia was one of the principal wheat exporting countries, sending out annually, approximately one hundred and forty million bushels of wheat, compared to average exports, in the years 1905-14, of one hundred and ten million bushels of wheat and flour from the United States, and seventy millions from Canada. Western and Central Europe drew from her a good portion of their imported cereals, and had to offset the loss of these supplies partly by reduced consumption, partly by buying larger amounts from North America, where the bumper crops of recent years have made increased exports possible. The Western Hemisphere has had, in fact, practically a corner on wheat. Unless Russian supplies are forthcoming or the western crops are unusually large, wheat is likely to be scarce in the 1920-1921 season. The quantity of Russia's annual contribution has a strong influence on wheat prices, and has, therefore, always been of great interest to this country.

The average reports on conditions in Russia have not been of a nature to encourage belief in the existence of a large wheat supply there. These reports, however, have apparently not given an accurate view of the actual situation.

A special British mission was recently sent to South Russia to investigate cereal production and supplies, for the information of the Supreme Economic Council. Their official report, which is published by the International Institute of Agriculture at Rome, sums up the situation as follows:—

Taking into account the wheat yield of 1919 and stocks from previous harvests, and allowing for the quantities required for consumption in South Russia, there remains a surplus available

for export abroad; this surplus is estimated as certainly not less than 15,000,000 quintals (55,000,000 bushels).

These supplies are located mainly in the Ukraine, where the 1919 crop is estimated at 331,000,000 bushels, 60 million bushels over the 1909-1913 average.

Central and Northern Russia are short of supplies, but the breakdown of internal transportation facilities makes it impossible to ship to them the surplus crops of the south. Though the rail ways are no longer effective, the rivers still provide a means of transportation. The Don, Dniester and Dnieper all run through the main areas of the wheat belt to the Black Sea or the Sea of Azov. If the exportable surplus can be moved via these to the port of Odessa on the Black Sea or to Rostiv on the Sea of Azov, transport from there to western European markets would present no great difficulty.

Research in Corrosion

At the recent congress of the British Institution of Metals a valuable report was read on the corrosion of condenser tubes—a subject in which so many engineers are keenly interested. This report was the fifth of a series, recording researches undertaken by a special committee of the Institute. Experiments have been made with alloys of copper and zinc, and many suggestions made for avoiding or reducing corrosion. In the British Navy, trials are being made with oxidized tubes, and a British company has been formed to exploit an electrolytic process which deposits and maintains a protective layer of lime on the surface of the tube.

Our Partnership With England

By COL. GRANT MORDEN.

Col. Grant Morden, member of the British House of Commons, has recently announced the amalgamation of important Canadian coal, iron and shipping concerns with the great steel industries of Great Britain. At Toronto, the address printed here, brought him an ovation from the members of the Toronto Board of Trade. No financial enterprise has aroused such interest in the past decade as the forming of this great merger which will be known as the British Empire Steel Corporation.

I remember watching a professional game of billiards in the old National Club here in Toronto. I think it was between Roberts and some other professional player. It was many years ago, and what struck me as an enthusiastic amateur billiardist in those days, was the fact that they did not play for the stroke immediately in front of them, nor even the stroke succeeding that, and after studying the play, I found that they played for still another stroke, in other words, three strokes ahead of the game. I was only a youngster at the time, but I went home and began turning this over in my mind, and I said to myself, if this applies to professional billiards, how much more should it apply to business.

Ever since I have been trying to play three strokes ahead, and with a country like Canada, with its enormous resources and possibilities, it is only the man that plays three strokes ahead who is going to succeed, and it is only the man that does this that is playing his part as a true Canadian for the best interests of his country.

I want to tell you one of the reasons why the British merchants have got back their business in a way which has astonished the world. I am talking not only now of manufacturers but also merchants. When the war came on, it became impossible for English merchants to fulfill their engagements. The merchants of other countries stepped into the breach. The nations that did not enter the war said, "Here is our opportunity to take away the trade of these Britishers who have had a monopoly of it for centuries past." They did not anticipate the way prices and costs were going to rise, and they made large contracts and agreements.

But what happened when the prices of raw materials and labor and everything else jumped up to unprecedented bounds, what did these countries do? The bulk of them repudiated their contracts, and to-day, in the markets of the world, the business men who made contracts with those countries, will pay 19 per cent or more in advance of the prices quoted now by the countries that formerly failed to keep their business agreements and trade contracts for the sake of dealing with British concerns which have never yet been known to repudiate an agreement made.

Some people wonder how Britain is regaining its overseas trade. I assure you that one of the most important factors is that men know when they make a contract with a British firm, it will be respected and lived up to to the last letter not only of the legal but the moral point of the law. If you follow those traditions of the merchants of England, you need never look back, you will couple with that great tradition which they have established throughout the world, the fact that Canada is a part of the British Empire, and that a contract made within the British Empire is as good as the gold in the Bank of England.

Our neighbors to the south thought they were going to have a great advantage when exchange

went against England and Canada. It only showed how little they knew about exchange. It was about as much as I knew about exchange when some ten years ago travelling from San Francisco to New Orleans, I found out that there was some racing going on at Juarez. I stopped off for a few days at El Paso, Texas, which is just separated by a bridge over the Rio Grande River from Juarez. At that time, a Mexican silver dollar was only worth 90 cents in the United States. On the other hand, an American silver dollar was only worth 90 cents in Mexico.

A man at that time started out in El Paso, Texas, one morning with an American dollar in his pocket. He went into a saloon and bought a drink of whiskey, which in those days, cost him 10 cents. He laid down his American silver dollar on the counter, and after having his whiskey, was handed a Mexican silver dollar in change, which was only worth 90 cents in the currency of the United States. He then walked across the bridge over the Rio Grande to Juarez, went into a saloon there, and bought another drink of whiskey, which also cost him at that time 10 cents. He put down his Mexican silver dollar on the counter and the bar tender gave him an American silver dollar back in change, which in Mexican currency at that time, as I said before, was only worth 90 cents. He returned over the bridge to El Paso and repeated the operation. That night he was picked up out of the gutter in El Paso, very drunk but still with an American silver dollar in his pocket. Now I wonder if the American bankers have ever yet figured out who paid for those drinks?

Within Canada we have the greatest resources in the British Empire. These resources are unlimited, but at the same time these resources cannot be capitalized into money values unless we have the capital, experience and labor to develop them. Now, where are we going to look for it? We have only two directions in the world to-day, one to our neighbors to the south, the other to our kinsmen in the east. We have got to combine with somebody. I need not ask you, the citizens of Toronto, with which you prefer to combine. Most of you are descendants, like myself, of the United Empire Loyalists who preferred to sacrifice their lands and their possessions than to live under an alien flag. Therefore, I know your answer will be the same as mine,—we will only combine with our own kinsmen within the Empire.

Combination is the order of the day. The great manufacturers of England who for years would not consolidate with others in similar lines of business, largely owing to the fact that in many individual cases their grandfathers and great-grandfathers had established and gradually built up their industries, and through family pride they could not realize that solidity in business was identical with the success of the United Kingdom. But that has all changed. Within the last eighteen months there have taken place more industrial consolidations in the United Kingdom than have probably taken place within the last half century. They realized that it was absolutely necessary. The Government of England have given them their blessing, their co-operation and their help in consolidating the great industrial interests and the great banking interests in England. Why? To place them in the position of going out in the world's markets and recapturing the trade that Great Britain has always controlled in the past.

Some people and, I am sorry to say, some Canadians have that idea that because large concerns consolidate, that there is going to be a trust, that there is going to be a monopoly, and that conse-

quently prices will be increased. There was never such a mistake. Why, take the history of any great consolidation in industry and you will always find that it tended to decrease costs and not increase them.

The economy of, we will say, ten or twelve great concerns working together is perfectly obvious—the elimination of overhead charges, the over-lapping of freight charges, the saving in advertising—all of these features mean in the aggregate a very large sum. That does not come out of the public. In addition to that there is much more than simply the economy of operation. There is the increased service which is possible only by consolidation with similar interests, and the results are that every element of the community benefits.

Proper combination to-day in trade is essential just the same as combination in all united efforts. I remember many years ago going through an institution in the West of Toronto called the Mimico Asylum. I was amazed to see in that institution that one guard could take care of about 100 lunatics, and I said to the superintendent, "How is it possible for one guard to look after so many lunatics," and his reply was that it was perfectly simple, "because lunatics never combine." The people of Canada are not lunatics.

But you must teach and educate the people—teach them, educate them—that the right kind of trade combinations are not detrimental to them, but are to their advantage, and with your enterprises and patriotic press in Canada, you can do much.

I am going to take up a somewhat personal subject. I am going to deal with a matter in which I am personally interested, if you will allow me. I am sorry I have to make it a personal subject, but being the prime mover in it, I have no other choice.

There has been consummated a great Empire Steel Consolidation. I have always felt that this Empire of ours linked together, as I think Kipling said, with "the silken thread of sentiment", living and working together without any real binding ties, rather puts me in mind of the story of the Frenchman who had had for a number of years business connections with a man in London. He went over to London and his visit happened to coincide with the celebration of his English friend's silver wedding, to which he was invited. It was a very enjoyable occasion, and when it was over the Frenchman told the host he had had a very pleasant time, but he said "My friend, I cannot quite understand what this ceremony means, this silver wedding." "His host replied, putting his arm around his wife, "Why, this charming lady and myself have been living together for the last twenty-five years." "Oh," said the Frenchman, "now I understand, you have married the lady."

We have been living together in the British Empire for many years, and it is time we got married. How are we going to do it? The only way, in my opinion, being a practical manufacturer and a practical business man. Some people call me a financier, but I can assure you that I am first a manufacturer and a business man. I have never financed other people's business, I have always financed my own. I am an industrialist from start to finish, and as such I only saw one way in which we could consolidate this Empire of ours, of which we are all so proud.

Some Canadians think, I am sorry to say, that Canada is big enough to declare a nationhood by herself, but at the same time, down in their hearts they know that the nationhood of Canada within the Empire is really greater than anything that could ever be accomplished by independence.

My opinion of the way in which we can accomplish a binding partnership in the Empire is by building up an industrial partnership. This has been my dream for many years. I looked over

Continued on page 25.

Banks, Bankers and Banking

Prospective S. American Bankers

Three banks, the Royal Bank of Canada, the Bank of Nova Scotia, and the Canadian Bank of Commerce, by financial grants for the purpose, established the study of Spanish at Halifax, in view of the increasing trade relations with the Latin republics. Classes have been in progress all the winter and are drawing to a close. During this time three hundred students have engaged in the study of the language and of that number fifty have obtained a knowledge of Spanish sufficiently comprehensive to enable them to transact business and speak with comparative fluency.

The students were drawn from the staffs of the banks, Dalhousie University and the Nova Scotia Technical College. As an example of what has been accomplished, W. J. Clayton, head of a clothing manufacturing house, at a gathering recently made a speech of 10 minutes in Spanish, which was fluent and grammatical. Some others in the class have made even greater progress than Mr. Clayton. The teacher, whom the banks procured, was Mr. Rosales, a graduate of the University of Columbia, South America, and of the University of Madrid.

Bradstreet's Montreal Trade Report

Bradstreet's Montreal Trade report for last week is as follows:—

The weather has been very wet and cold; those who have travelled through the country, state that farmers are away behind with their work, owing to the above given reasons. Cattle are not out to grass yet, which makes our milk supply small, and the dairy yield very light, so far this season.

The Government has taken off the control of prices in cheese, and the trade are now operating on an open market. High prices were realized at some of the country cheese boards for fodd-ers, owing to the spirited bidding. Most of the cheese trade sold out their stock of last year's cheese to the Government a couple of months ago, at a big loss, but a few held on to their stocks, and they will make a very handsome profit, now that the market is open again, as the bidding for these stocks is very brisk, and some large transactions are expected to be put through before the week is over.

This week is general moving week in this city. Quite a number of our retail merchants and residents, have changed their abode, which has to some extent interfered with business.

A few ocean steamers have arrived, which should

stimulate the wholesale trade, as these vessels carry quite a cargo for this port, and will to some extent, relieve the scarcity of merchandise.

Some of our banks have increased their capital aggregating over eleven million dollars, which should relieve the stringency on credits.

Negotiations are now going on between the Government and the grain exchanges to demand restrictions on grain trading for the fall crops; the opinion of the trade is that open trading will soon prevail. Coal has advanced two dollars per ton within the past month, which is due to the increased cost of operations, and the exchange situation.

In the wholesale dry goods, hardware, and groceries, business is fairly active. Egg packers are paying very high prices in the country for this season of the year.

It is understood that the difficulty over freight cars that has existed for some time past, between the Canadian and American railroads, has at last been mutually settled; this should help shipping facilities between the two countries to a considerable extent.

Retail trade has been fair. Collections are reported good.

Where Have Our Defectives Come From?

A good deal of publicity has been given recently by students of hygiene and psychology to defectives in our Canadian population. Some strikingly interesting light on the origin of this unfortunate class is given by W. G. Smith in "A Study of Canadian Immigration," shortly to be published by The Ryerson Press, when he notes that among the immigrants of European birth suffering from insanity, idiocy, deafness, dumbness and blindness, the immigrants from Germany stand at the head of the list. The order, according to the countries from which the immigrants come, is shown in specified defects as follows:—Insanity: Germans, Sweden, Norwegians, Russians, French, Austro-Hungarians, Italians. Idiocy: Germans, French, Swedes, Russians, Austro-Hungarians, Norwegians, Italians. Deafness and dumbness: Germans, Russians, French, Austro-Hungarians, Swedes, Norwegians, Italians. Blindness: Germans, Swedes, French, Italians, Russians, Austro-Hungarians, Norwegians. There is apparently more than suggestion here that Germany has in past years been trying to unload her defectives, and also striking evidences of the need of closer regulation of our immigration in the future.

Utilize Canada's Resources.

Canadians are justly proud of their structural timbers—red pine, western soft pine, tamarack, hemlock, Douglas fir, etc. That the qualities of these timbers may be well known to Canadian builders, so that the importation of no better or

even inferior timbers may be reduced, the Forestry Branch of the Department of the Interior has issued a publication known as Bulletin No. 59, "Canadian Woods for Structural Timbers," giving the facts about these woods. This has been followed by Bulletin No. 60, "Douglas Fir: Its Mechanical and Physical Properties," which deals with this wood from every point which is of interest to the structural engineer and builder. Those interested may secure these bulletins free upon application to the Director of Forestry, Ottawa.

Merchants Bank of Canada

ANNUAL MEETING.

The Annual General Meeting of Shareholders, for the election of Directors and other general business of the Bank, will be held at the Banking House, in the City of Montreal, on Wednesday the second day of June next. Chair will be taken at 12 o'clock, noon.

By order of the Board,

D. C. MACAROW,

General Manager.

Montreal, 27th. April, 1920.

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.

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.

N. S. BOGERT,
Manager.

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.

ESTABLISHED 1872

Bank of Hamilton

Head Office: HAMILTON

Capital Authorized 5,000,000
 Capital Paid Up (Jan. 31, 1920) 3,999,970.00
 Reserve & Undivided Profits
 (Jan. 31, 1920) 4,085,099.00

To the Public

Four Victory Loan Coupons due 1st May can be cashed at The Canadian Bank of Commerce or left on deposit in a Savings Account.

Interest on Savings Accounts is paid at the rate of 3 per cent. per annum.

THE CANADIAN BANK OF COMMERCE

OVER 500 BRANCHES.

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

The Royal Bank of Canada

Incorporated 1869.

Capital Paid up.....\$ 17,000,000
 Reserve Funds\$18,000,000
 Total Assets\$550,000,000

HEAD OFFICE: MONTRE L.

SIR HERBERT S. HOLT, President.

E. L. PEASE, Vice-President and Man. Director.

C. E. NEILL, General Manager.

670 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, HAITI, COLOMBIA, BRITISH WEST INDIES, FRENCH WEST INDIES, ARGENTINE, BRAZIL and URUGUAY.

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

LONDON, Eng. NEW YORK
 Princes 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, Bankers and Banking

Sharing Profits With Labor

Scheme recently proposed in England — Surplus profits over 9 p.c. to be shared — Pension Account — The effect of Profit Sharing Schemes on the Stock Exchange.

The question of profit sharing is being debated by English industrial concerns as a means of counter-acting the prevailing labor unrest. It seems to many, that a scheme whereby the employee participates in the profits of the company he is working for, should bind him more closely and attentively to his task.

Recently the Imperial League and Council invited Mr. Herbert W. Jordan, author of "Company Law and Practice," to read a paper on this subject at Caxton Hall, Westminster.

In the course of his address Mr. Jordan said:—

My suggestion is that all profit-sharing schemes should be on the lines of some standard formulated by the Board of Trade, or, if the standard is departed from, that official recognition should be withheld until the scheme has been agreed to by the Whitley Councils for the respective industries and also approved by the Board of Trade, and that the Board should make rules as to the application of all schemes. Machinery could probably be devised in connection with the Whitley Council for the district for settling a standard method of arriving at owner-managers' salaries.

I would suggest that to encourage profit-sharing and to popularise it, some concession or advantage, such as a rebate or remission of income tax, for example, should be granted to firms adopting the scheme I am about to put before you, or such other scheme as may be approved. Of course, it will inevitably be pointed out that this will occasion loss of revenue; but against this has to be set the benefits accruing to both capital and labour as a consequence of the increased efficiency which would almost certainly result.

A Standard Scheme.

The standard scheme could be adopted by any companies or firms favouring profit-sharing, or by an individual employer, but the concessions made by the Government should be granted alike to companies and firms having already in operation a system of profit sharing, subject to their respective schemes being approved by the Board of Trade.

Under the suggested scheme the net profits available for dividend, after providing for depreciation of plant, machinery, etc., according to the accepted scale, would first be applied in the payment of a 6 p.c. cumulative dividend on the issued and paid-up capital (the minimum return on a sound investment), and a further 3 p.c. (non-cumulative), in view of the risks incurred by all industrial concerns.

The 6 p.c. cumulative dividend is suggested, with the 3 p.c. further dividend, as a standard return at the present time. Should the average rate of return on trustee securities vary, the rates of dividend under the scheme would vary accordingly.

The issue of debentures of other "loan capital" at an unduly high rate of interest with the object of securing as large a rate as possible for capital at the expense of the employees would have to be forbidden.

Surplus Profits Over 9 per Cent.

Any profit beyond 9 p.c., for the distribution of allocation of which provision has been made, should be divided into three parts and applied as follows:—

(a) The first third should be distributed among the shareholders as a further dividend, in accordance with their respective rights.

(b) The second third should be distributed among employees (including acting directors, secretary, managers, cashiers, etc.) in proportion to their remuneration or in any other predetermined portions. The distribution may take the form of a cash payment, or be applied in any manner approved by a majority of the employees.

(c) The third portion should be "ear-marked" "pension" and applied for the purpose of providing pensions for the employees of the company as stated later.

Assuming the case of a company the capital of which is £10,000 divided into 5,000 6 p.c. cumulative preference shares and 5,000 ordinary shares, and further assuming that a net profit of £1,200

(Continued on Page 19.)

ESTABLISHED 1832

Paid-Up Capital
 \$9,700,000



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

TOTAL ASSETS OVER \$220,000,000

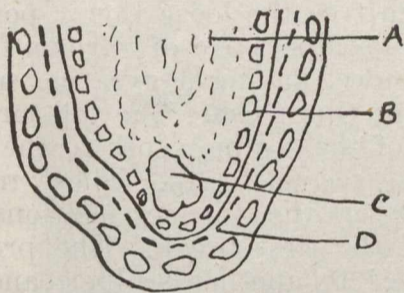
The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite business of every description.

THE BANK OF NOVA SCOTIA

THE MILLING INDUSTRY IN CANADA

As preparations of flour form the staple food of all civilized communities, the cultivation of wheat and the manufacture of flour are necessarily industries of the greatest magnitude and importance. The cultivation of wheat was one of the earliest developments of human civilization, and there are many records showing that the primitive races made use of grain by pounding it into a coarse flour. In Roman times the milling was done principally by the women, and any progress made in the manufacture of flour was domestic progress.

The first roller mill was set up only about sixty years ago in Budapest. This method was to revolutionize the entire system, for it permitted a more



STRUCTURE OF A WHEAT BERRY

A. Starchy Portion. C. Germinal Portion.
B. Gluten. D. Outer Husk.

even separation of the different parts of the wheat and the entire separation of the bran and germ from the floury portions.

An examination of the structure of a grain of wheat for milling, to remove all dirt from the berry. The kernel of wheat consists of two lobes separated by a longitudinal crease. The hairs on the end of the berry and the fine dust adhering to its coat, are easily removed by brushes and friction, but it is impossible to remove the dirt in this crease. By the stone mill process, all this dirt is mixed in with the flour and middlings in the first grinding. By the roller mill process, this difficulty is overcome, as the berry is split along the crease and the dirt removed by brushes.

As the wheat is unloaded at the mill, it is weighed and then conveyed to the top of the mill by means of an endless belt carrying small buckets to hold the grain. Here the wheat is cleaned, for when brought to the storage bins it contains much foreign matter such as dirt, chaff, weed seeds and other grains that have grown in the wheat field. These are all removed by what is known as a milling separator, a series of metallic sieves aided by air and suction. The first set of sieves has perforations just large enough to allow a grain of wheat to go through and, therefore, oats, straw and everything that is larger than a kernel of wheat passes over. Many smaller seeds, as mustard and cockle, are still left in the wheat, and therefore, the next set of sieves contains perforations much smaller

than a kernel of wheat through which these small seeds pass. Strong currents of air are continually passing through the box containing the sieves, so that much of the lighter impurities, such as shrunken wheat, light winged seeds and dust are carried off into the dust collectors.

From the separator the wheat is next passed to what is called the wheat scourer. This is an upright perforated cylinder in the centre of which, revolving about a shaft, are the brushes, which not only brush most of the dirt from the crease in the berry, but also serve to throw it against the side of the cylinder, which wears off some of the outside covering of the berry and all the dirt and fuzz. There is also a strong current of air passing through to carry off the dust from the scourer. The wheat is now bright, clean, and ready for tempering.

Tempering is accomplished in various ways, for each miller has his own theories as to how the best results can be obtained. If wheat is too hard, the operation is intended to soften it; if too damp, to dry it; if too brittle to toughen the bran so that going through the rolls, the bran will flake out instead of grinding up in a fine flour and mixing with the middlings. After leaving the scourer, the wheat passes into large heating cylinders, where the grain is carefully heated, so that it will absorb the water used in tempering more rapidly. From these heaters, it is conveyed through troughs, by means of a screen, while small jets of water trickle down upon it. The wheat thus dampened remains in the tempering bins for several hours.

A method of tempering sometimes used, especially if the wheat is very dirty, is washing. Some millers use this entirely, while others wash a certain portion and treat the remainder as described. Before washing, the wheat passes through the separator, which is a machine combining water separator, stoner and washing all in one. The wheat enters the machine through the feed hopper, which contains water and regulates the feed to the machine by an adjustable slide, which spreads the wheat in an even and regular stream of grain. This enters the stoner spout, where it meets an upper current of water. Stones and all substances heavier than wheat settle against the current of water and the wheat enters the overflow tank, where all lighter material such as smut balls, straws, etc.; pass out with the overflow. The wheat sinks in the tank and passes through a valve in the bottom, into the washing cylinder, where it is thoroughly washed and discharged into a perforated cone, where by centrifugal force the wheat is freed from an excess of water, and carried by flexible flights attached to the cone out of the washer. It is then conveyed to the driers.

These driers consist of two concentric galvanized iron cylinders, a small perforated one inside of a large one. There is a space between the two cylinders of about an inch and a half to two inches for the passage of the wheat. As the wheat passes

Ed. Note.—Special thanks for assistance in preparing this article are due to the Nordyke and Marmon Company of Philadelphia, The Dominion Flour Mills Company, and others who furnished information.

slowly from the top to the bottom, air is forced into the inner cylinder, and through the perforations, into the wheat. The cylinder is arranged to contain two air chambers, one hot and one cold, so that the wheat is first dried by air at about 190 degrees Fahrenheit, and then cooled by the cold air in the lower chamber.

In tempering, the miller needs to observe most carefully, the condition of his wheat, the amount of water used, and the temperature of the air or steam, for the danger of over-wetting and overheating is very serious, changing as it does, the chemical composition of the wheat. If the miller has not learned by experience to judge approximately the percentage of moisture in his wheat, he should make this determination by exact test, and then add just enough water so that the resulting flour, which, it is to be remembered, loses several percent of moisture during the process of manufacturing, shall contain the desired proportion of water.

Different samples of wheat demand different treatment, but there is really nothing which the careful miller may not overcome by thought and application.

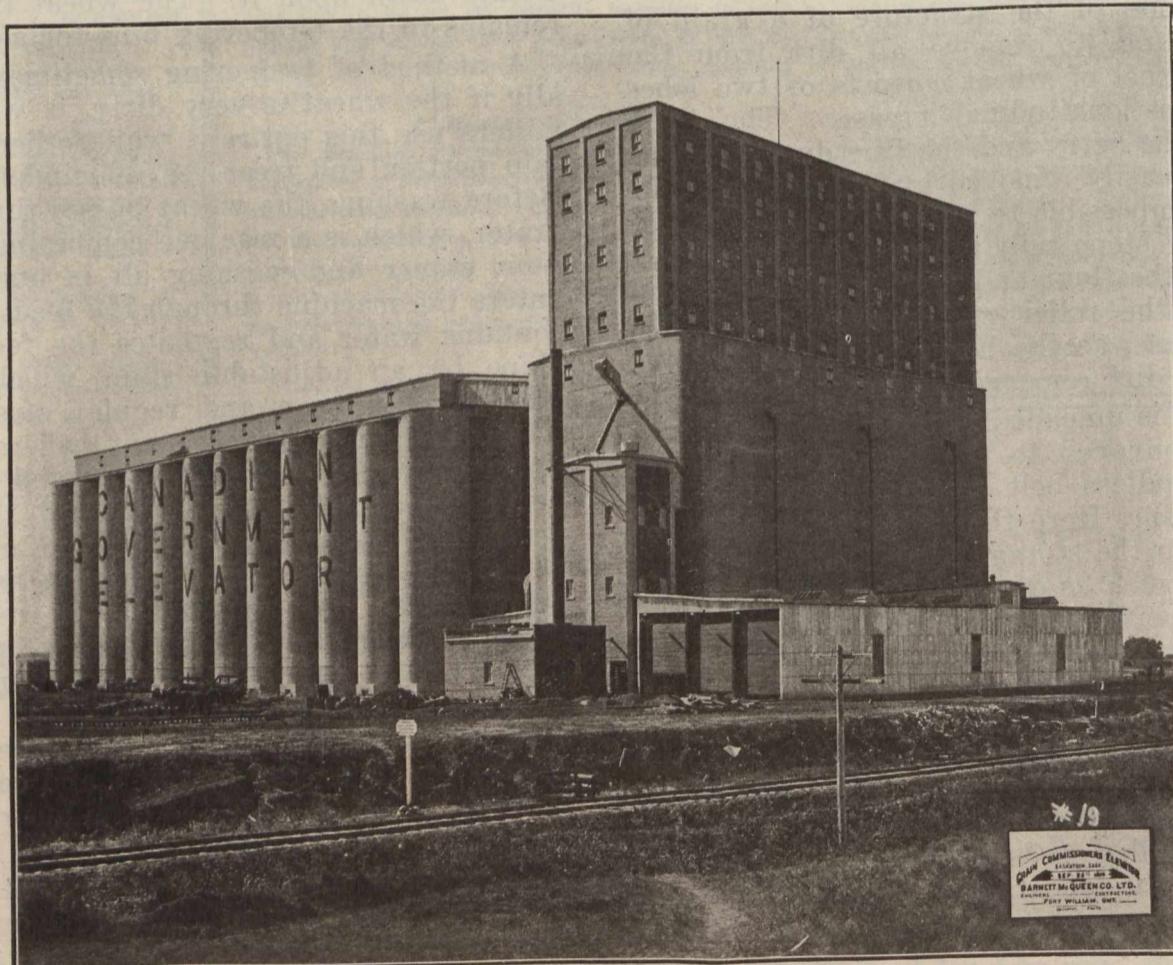
After tempering, the wheat is ready for the first rolls or break. Before entering the rolls each pound of wheat is weighed in an automatic dump scale. As the scales dump, the amount is registered, thus recording the amount of wheat ground in the mill.

The theory upon which the gradual reduction process is based, is that in order to obtain the greatest yield of high grade flour, the maximum yield from the breaks must be middlings. For it is easily seen that if the wheat is completely crushed in the first break, a great deal of dirty flour is made, which must be passed to the lower grade.

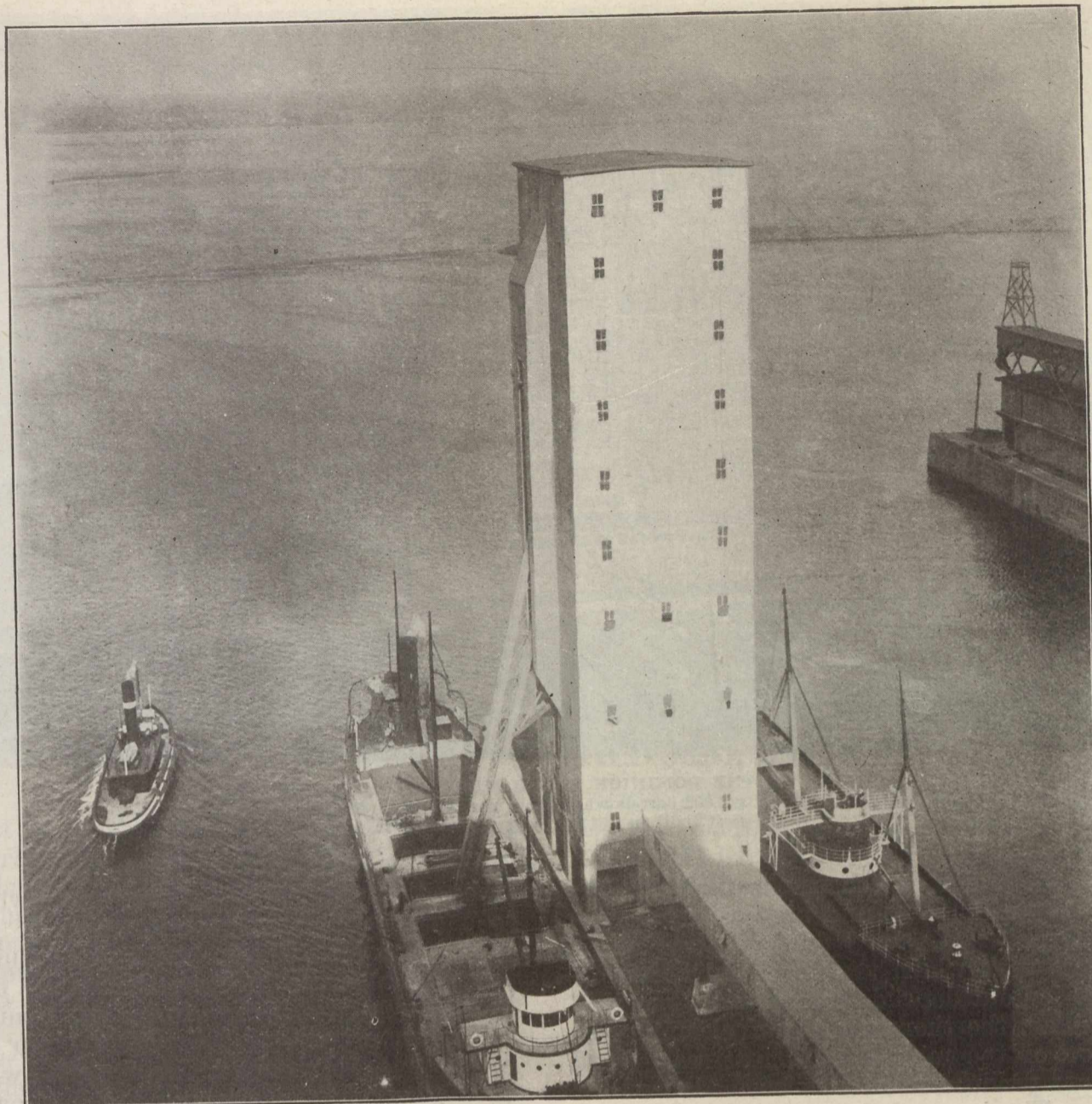
The success with which this gradual reduction is carried out depends greatly upon the corrugation

of the rollers, and the way in which the rollers themselves are set. The corrugations resemble very nearly the outline of a saw tooth, and instead of running lengthwise of the roll, they run toward a spiral. Beginning with the first roll, there are about ten to the inch, the number increasing with each separate roll up to about twenty to the inch. If the rolls ran at exactly the same speed, the tendency would be to crush the berry, rather than to break it, and free the bran from the endosperm. To prevent this, differential speeds are used. This increase in velocity of one roller surface as it travels over that of another, shears the wheat and aids in the rapidity of reduction. The theory of the first roll is that the wheat berry is split along the longitudinal crease, and that the grain is sheared of its outer coats. The splitting of the grain holds only in theory, for the greater number of kernels passing through the first break are broken into irregular shapes. But the bran is flaked out and contains a part of the endosperm, which is gradually removed in the remaining breaks.

The product of the first break goes into the scalpers, which free the loose floury portions from the bran. The scalpers are of various forms, some being like a sieve, having a gyrating motion with a wire gauze of fine mesh. The tail, or what goes over the end of the scalper, goes to the second set of rolls, or the second break. These rolls are set up a little closer and the corrugations are finer than those of the first break. The product from these rolls goes to another scalper, and is separated as before. In all, this process is repeated five times. In some mills, there are six breaks, but as a rule, there is very little of the endosperm not free from the bran after the fifth break and very little flour is gained. The middlings from the first two breaks are large, and in themselves are clean, angular fragments of endosperm, but are mixed



THE DOMINION GOVERNMENT ELEVATOR AT SASKATOON



UNLOADING GRAIN BOATS

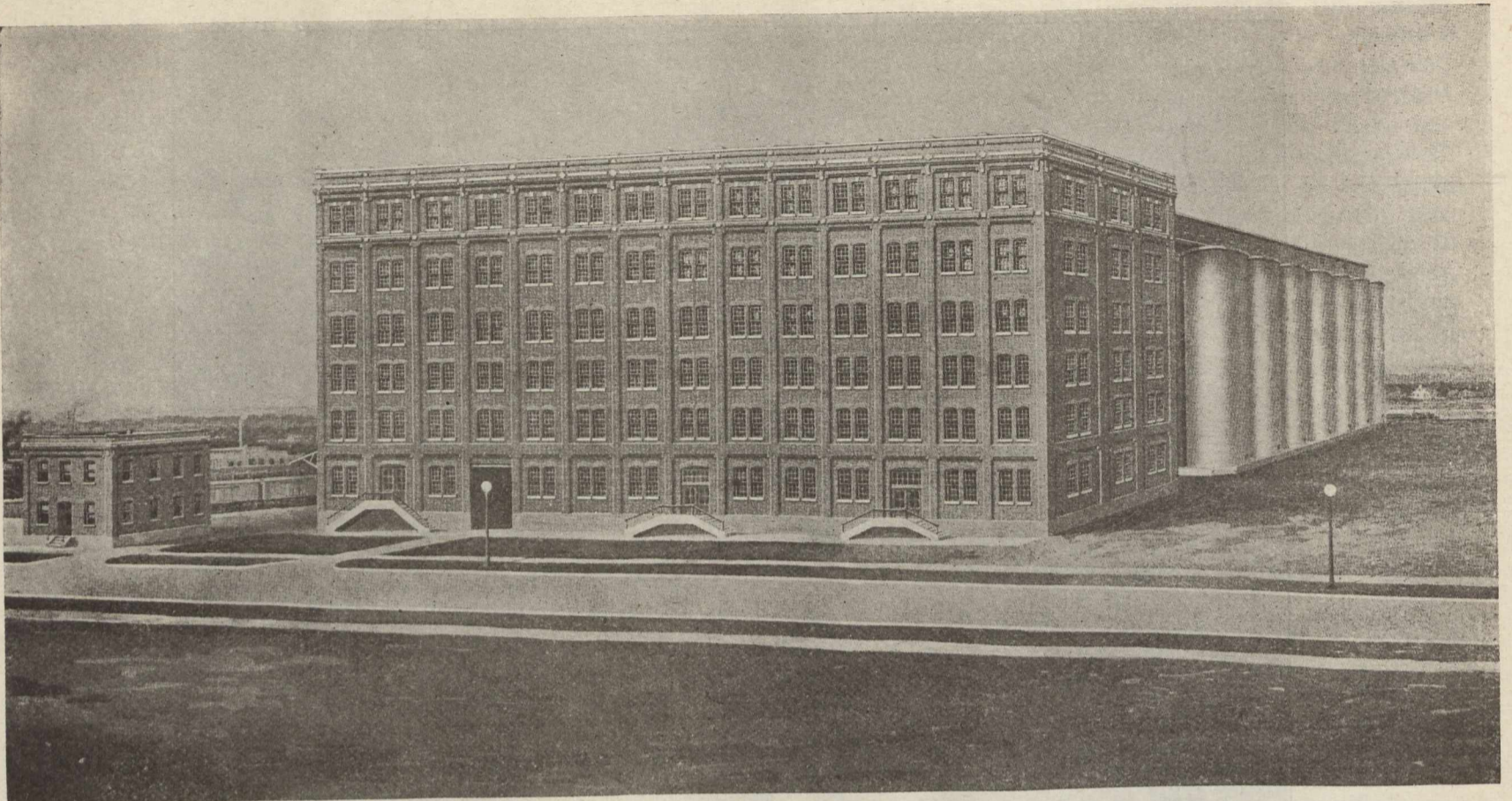
with considerable portions of bran and germ. The middlings from the succeeding breaks become finer and are mixed with more or less dust, fine particles of bran and germ.

If a section is made of a grain of wheat, we see under the outer husk the cells containing the gluten. Going towards the centre of the berry, we find these cells softer and containing more starch. When the berry enters the rolls, this soft portion is the first to grind down, and as it contains a very large percentage of starch, and also as it is dark colored, because being in a finely divided state it absorbs any dirt that may be present in the bran, it must be put into the lower grades. As stated before, it is the aim of the gradual reduction to make as little of this break flour as possible. However, more or less is made in the various breaks and is separated from the middlings and brans and run into the lower grade flour.

After leaving the scalpings, the middlings, which still contain much foreign substance, must be divided into various grades with respect to size. This is accomplished by running all the middlings into a sizing or grading machine. These are in the form of a box covered with various sizes of bolting cloth, the whole having a gyrating motion. The middlings enter this and run on to the finest cloth,

which sifts out the flour. What will not pass through this cloth goes over the end on to a little coarser cloth, and so on down until the middlings have been divided into about eight grades. The coarsest are called No. 1 middlings. Under the sieve are devices for throwing the middlings into one stream, or separating them to suit the convenience of the miller.

Before the various grades can be ground into flour, they must be purified. This is done in the middlings purifier, which is a long narrow sieve with a strong current of air passing through the cloth. This sieve is placed in a slightly inclined position, and moves rapidly backward and forward. The middlings travel from one end of the sieve very gradually to the other end, the strong current of air carrying off the dust into a dust collector, and the fine bran, being lighter than the middlings, is suspended above the cloth by the air current, while the middlings go through. The coarser bran is carried by the current of air to the tail of the machine, and is thus separated from the middlings. The fine flour which is carried to the top of the box by the draft is collected by a device which moves slowly along the top, catching the flour as it moves and dumping it over a slide at the end. Each grade of middlings is purified separately. Some bits of bran and germ will still



PLANT OF THE DOMINION FLOUR MILLS, LTD., AT MONTREAL
 Built in 1911. Capacity 6,000 barrels wheat flour per 24 hours. This mill is in two units—
 the first built in 1911-12, and the second in 1918-19.

cling to the middlings, which in the first roll are flattened into small flakes and are easily separated by the sieve.

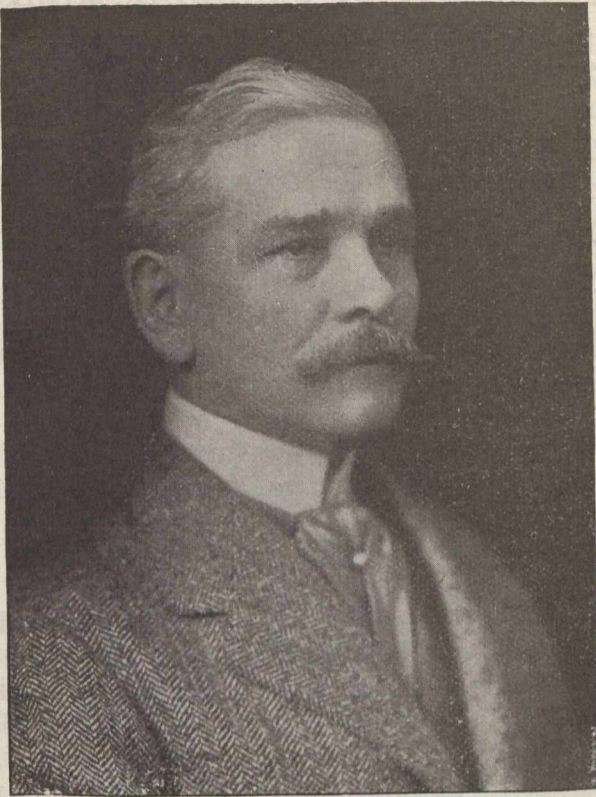
The success with which the operation of purification is carried out depends chiefly upon the kind of wheat milled, the thoroughness of cleaning and the condition of the middlings themselves. Hard spring wheats produce middlings best adapted for purification. The bran of these wheats is usually thin and splinters off into short flakes which are easily separated by the air drafts, and the hardness of the wheat makes possible clear, bright middlings mixed with very little flour. With soft

wheat the tendency is to wear away when reduced to middlings, with the formation of much dust flour. The bran is also tough and requires greater force to separate it from the starch cells, which tend toward producing fine floury middlings.

The importance of thoroughly clean wheat cannot be over-emphasized, for any dirt which is left on the berry, or foreign seeds, will show up in the form of black specks in the middlings. Furthermore, the condition of the middlings themselves is a most important factor influencing the success of purification. A careful miller not only makes a careful selection of wheat and prepares it well for



A WESTERN WHEAT FIELD.—MANITOBA'S HARD WHEAT IS THE WORLD'S BEST



W. A. BLACK
Vice-President and Managing Director of The Ogilvie Flour
Mills Company, Ltd.

milling, but he must know that his rolls are sharp and properly set. Dull rolls produce middlings with not sharply defined edges mixed with a great deal of floury substance which it is almost impossible to separate in the various processes of cleaning. The purifier cannot give good results unless its sieve is evenly covered with middlings at all times.

After the middlings are purified they are reduced on smooth rolls to flour. The coarsest middlings are ground on the first set of smooth rolls and the product passed to a reel covered with fine silk bolting cloth. What goes through the bolting cloth is conveyed to the flour bin, while the tailings are sent to the second rolls, which are set up a little closer than the first roll. This process is carried on for all middlings, each going through different sets of rolls and sieves, and from the various streams the different grades of flour are made.

Before following the course of the flour to the packers, let us examine the bolting cloths used in making the various separations. Hardly a generation ago the best grade of flour came through a wire gauze. Linen bolting cloths were the next improvement and finally about forty years ago silk began to be used.

Practically all the bolting cloth used in Canadian mills is imported, the greater part of it com-

ing from Switzerland, where the art of manufacturing it has reached the highest perfection, and where, too, a particular water is obtainable which assists greatly in finishing it.

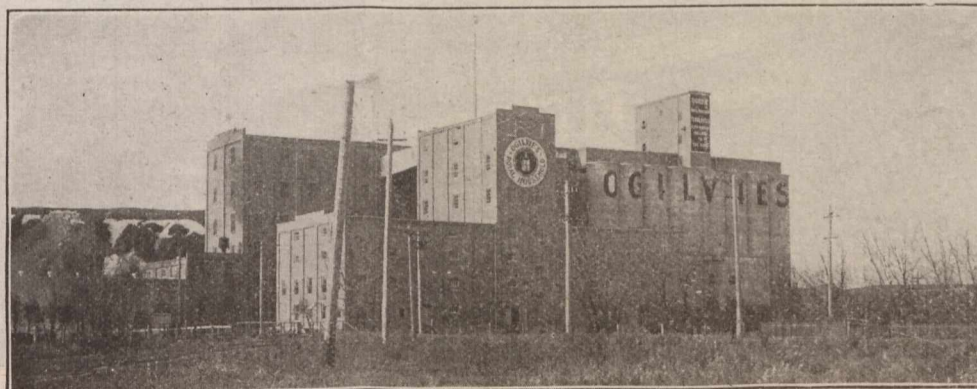
Having passed through the fine silk cloths of the various bolting machines, certain streams, according to the flour to be made, are united and run into a vertical chute through which it passes down to be bagged on the ground floor. As each bag is filled it is placed on a scale and from a barrel of loose flour the packer makes it the exact weight desired. It is then taken by a sewer, extremely deft in his movements and sewn up.

In describing milling, a great deal might be added to this account if space permitted, concerning the various ways millers have of testing a flour and determining its baking qualities; about the danger of dust explosions and how mills and grain elevators must be safeguarded; about the far flung sales organizations of the great milling companies; about the many kinds of breakfast and other cereals that are milled, and about the various by-products and their uses. Flour, however, is the great mainstay of the milling industry, as upon it principally, the world depends for its "staff of life."

THE CANADIAN INDUSTRY IN GENERAL.

During the crop year 1918-19, there were operating in Canada 709 flour mills, with a total capacity of 142,642 barrels per day. The great majority of these mills are small in size, having a capacity of 100 barrels or under, and are widely distributed throughout the various provinces of the Dominion. These small mills do mostly a gristing and local merchant business, the larger mills of this class shipping possibly one to ten cars of flour per year for export or for consumption in some other part of the Dominion. However, they afford local markets for wheat and local sources of supply for flour and feeds. Some of them operate only part of the year, owing to the fact that they derive their power from small rivers or streams on which they are situated, where there is only a sufficient head of water to keep them running steadily for a limited time during the year. This utilizing of water power is much more in evidence in the eastern provinces, the great majority of the mills in the west using steam, electricity and gasoline. Also these small mills may only operate during stated days of the week or whenever there is sufficient business to enable them to do so.

Again, the question of the local crop has a great influence on the activity of the small mills. That is, when there is a crop failure in the district the miller is generally forced to close down because he is situated in such a position that to haul wheat to



ONE OF THE OGILVIE CHAIN OF MILLS

the mill would incur heavy back-haul or diversion charges, which would so increase the cost that the mill could not operate on a paying basis.

A preliminary report of the flour milling industry in Canada for the calendar year 1918 has been compiled by the Dominion Bureau of Statistics, covering reports from 1,183 individual establishments. Distributed by provinces, the number of mills reporting was as follows: Alberta 53, British Columbia 5, Manitoba 46, New Brunswick 52, Nova Scotia 37, Ontario 622, Prince Edward Island 27, Quebec 284, and Saskatchewan 57.

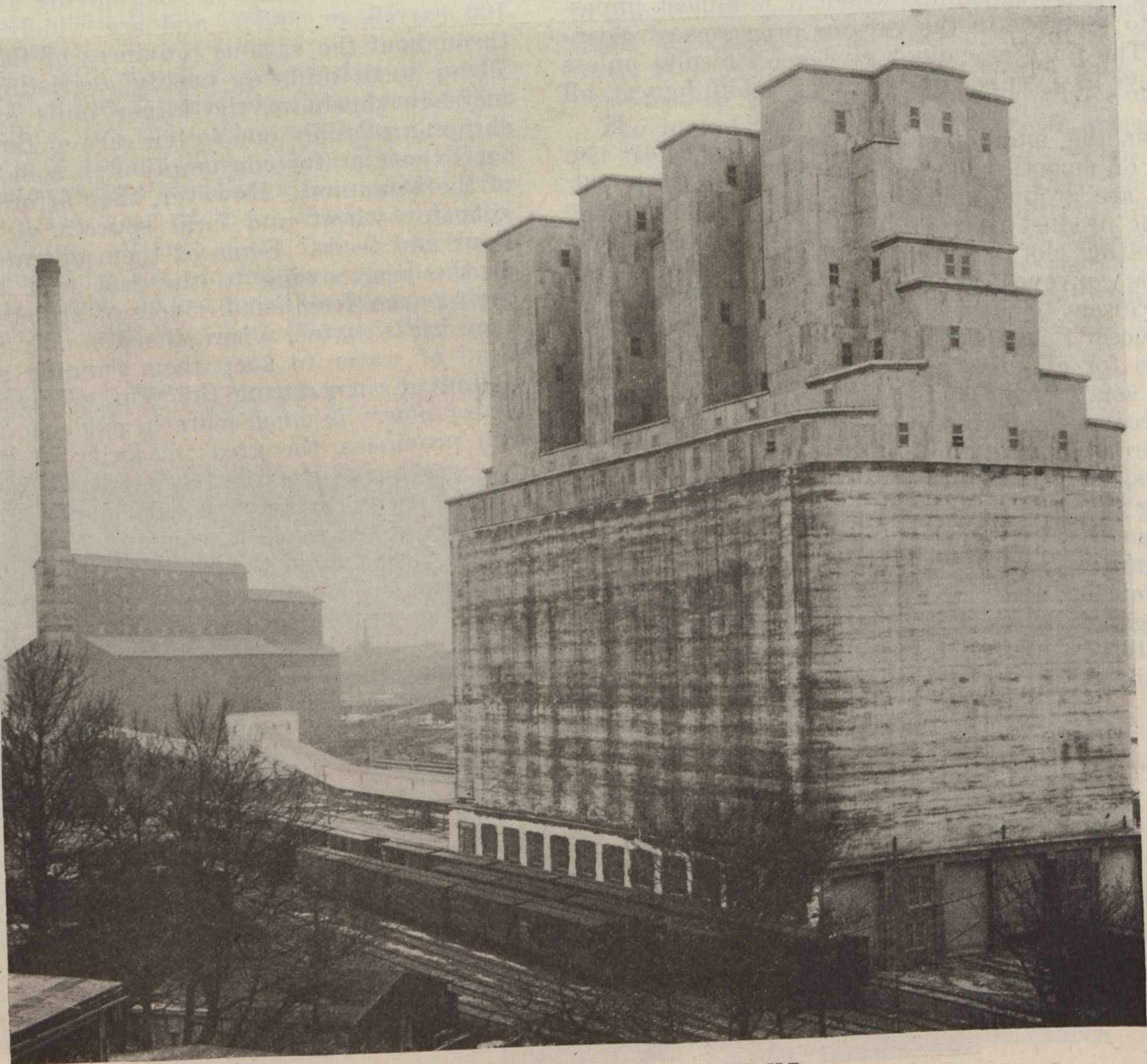
The total cost value at the mill of all materials used in the industry and the selling value at the mill of the different products are given below by provinces:

Province.	Cost of Materials.	Value of Products.
Alberta	\$18,795,504	\$23,078,613
British Columbia	1,030,047	1,281,957
Manitoba	26,713,977	31,855,937
New Brunswick	1,302,207	1,704,180
Nova Scotia	576,141	808,372
Ontario	119,225,883	142,522,816
Prince Edward Island..	376,750	464,927
Quebec	35,033,939	42,415,439
Saskatchewan	15,182,802	17,782,830
Total		\$261,915,071

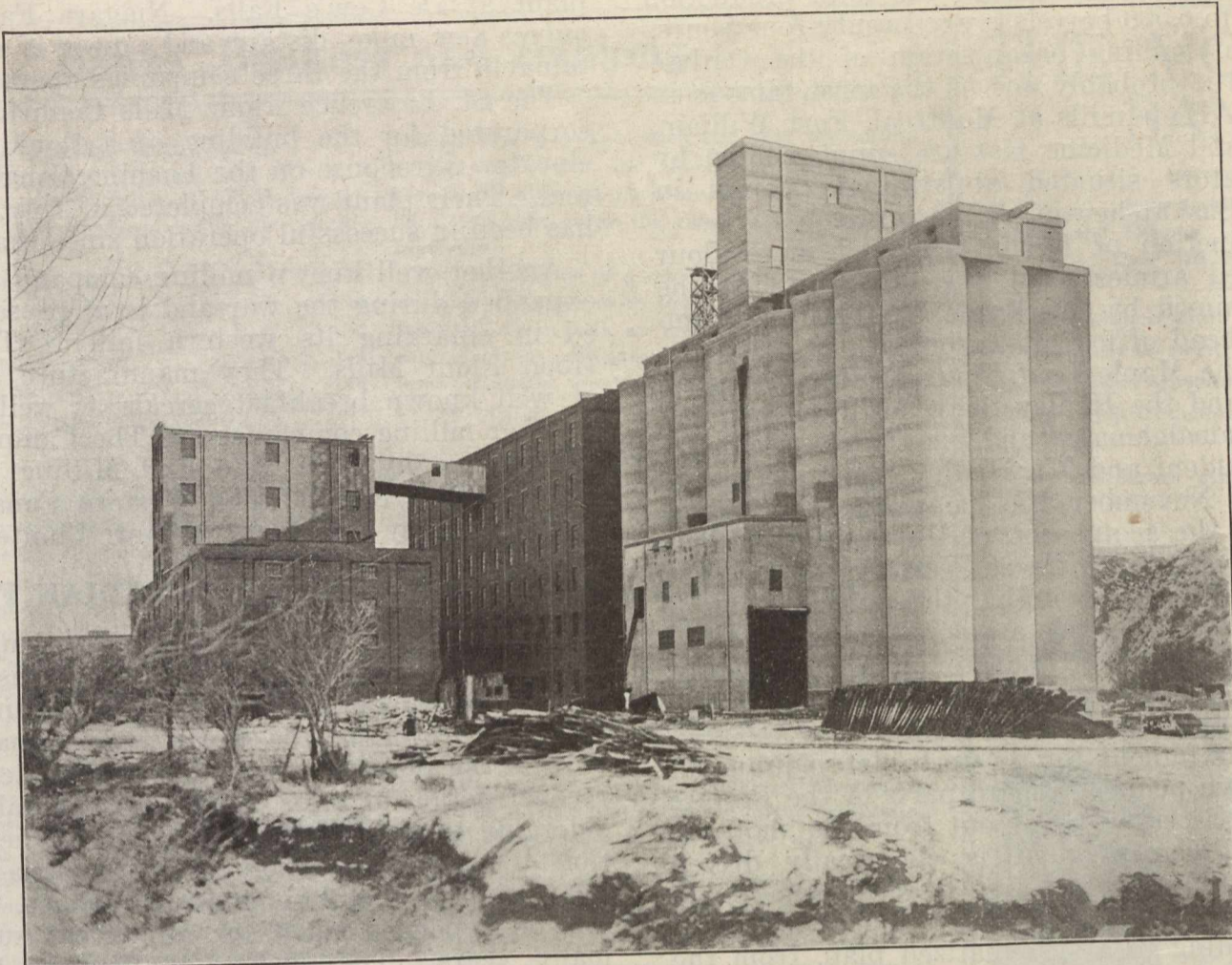
CAPACITY OF CANADIAN MILLS.

If the total capacity of the Canadian mills, which is 142,642 barrels per day, was utilized to the full extent for the whole year the mills in Canada would be able to produce about 32,000,000 barrels of flour. However, the approximate quantity produced last year was only 18,225,000 barrels, being 56 per cent of the possible production. This was partly accounted for by the small mills operating only part of the time, but the main reason is that the Canadian mills produce more flour than there is a demand for locally. There have been no records during the past years which would enable anyone to arrive at the consumption of wheat and flour in Canada, but it is generally estimated at from six to six-and-a-half bushels, or one person consumes one-and-a-third to one-and-a-half barrels of flour per year. Therefore, to be able to supply the demands of the Canadian people the mills must produce at least 9,750,000 barrels of flour, or 43,945,000 bushels of wheat, but there was milled in Canada during the past year some 18,225,000 barrels of flour, or 82,012,000 bushels of wheat. This means that Canadian mills had to find a market outside of Canada for the surplus.

Last year Canada exported 9,663,657 barrels of flour to foreign countries. The following table will indicate the growth of the export trade in flour from Canada for the past 14 years:—



LARGE GRAIN ELEVATOR AT ST. JOHN, N.B.



THE OGILVIE FLOUR MILLS AT MEDICINE HAT

Canadian Flour Exports.			
Crop Year.	Barrels.	Crop Year.	Barrels.
1905-06	943,777	1912-13	4,373,872
1906-07	1,000,777	1913-14	4,666,267
1907-08	1,595,208	1914-15	4,897,453
1908-09	2,020,467	1915-16	7,897,453
1909-10	3,412,625	1916-17	8,024,602
1910-11	3,262,147	1917-18	10,826,433
1911-12	4,273,472	1918-19	9,663,657

When wheat is milled in Canada the offal produced in the form of bran and shorts forms a very important item in feeding poultry stock and dairy animals. This an important factor to be considered. It is of most importance to the raising of poultry and pure-bred stock and to dairymen who are not in a position to supply their own feed. Countries, which have to import wheat and flour realize the value of this, and many European countries have adjusted their tariff to give the preference to wheat over flour. In the figures given above it will be noticed that Canada more than doubled her exports of flour during the European War.

LABOR EMPLOYED IN THE INDUSTRY.

Some idea of the labor employed and the wages paid through the operation of the industry may be drawn from the following table:—

	Employees.	Salaries or Male.	Female.	Wages.
Officers, superintendents and managers.	413	9		1,064,620
Clerks, stenographers and other salaried employees.	653	306		1,088,145
Employees on wages, Avge. No.	5,750	234		5,372,305
Totals.	6,816	549		7,525,070

GREAT CANADIAN MILLING COMPANIES.

The Lake of the Woods Milling Company, one of the largest in Canada to-day, was organized in 1887 with one mill at Keewatin, which had a capacity of 2,000 barrels per day. In 1893 they acquired the Portage Milling Company of Portage Laprairie which had a capacity of 600 barrels per day. In 1903, the company was reorganized and the name was changed to Lake of the Woods Milling Company, Limited. In 1906, the plant of the Keewatin Flour Mills Company was acquired with a capacity of 3,000 barrels per day. In 1914, the plant of the Medicine Hat Milling Company at Medicine Hat, Alberta, was acquired with a capacity of 600 barrels per day. In 1916, the Medicine Hat plant was destroyed by fire, but has since been replaced by one of larger capacity.

From the year 1887 onward, this company has made continuous progress, not only as shown by acquiring the plants of other manufacturing concerns and thereby establishing a chain of mills throughout the most productive wheat areas of Canada, but they have increased their output by the installation of more up-to-date milling machinery and by the enlarging of these plants until to-day the capacity of the mills stand as follows:

	Barrels.
"A" & "C" Mill at Keewatin, Ont.....	10,000
"B" Mill at Portage Laprairie, Man.....	1,500
"D" Mill at Medicine Hat, Alta.....	1,500

Among the milling companies of Montreal, one that has made particular progress during the last couple of years is the Dominion Flour Mills Company. In 1913, the capacity of this mill was 1,000 barrels in twenty-four hours, while the present capacity is 3,000 barrels, and a new mill has been built which will very shortly be producing at the

rate of 3,500 barrels, making the total production from 6,000 to 6,500 barrels every twenty-four hours.

The great milling organization of the Ogilvie Flour Mills is probably one of the most famous in the world. Their mills at Montreal, Fort William, Winnipeg and Medicine Hat are supplemented by grain elevators situated at strategic points in Manitoba, Saskatchewan and Alberta.

The distinction of having supplied more flour to the allied armies than any other mill in the world is claimed by the Maple Leaf Milling Company with head offices at Toronto.

In 1910 the Maple Leaf Flour Milling Company of Kenora and the Hedley Shaw Milling Company of Thorold amalgamated and Sir Douglas Cameron became president and Mr. Hedley Shaw vice-president. Last November the company was further enlarged by the acquisition of the Campbell Flour Mills Company with mills at West Toronto, Peterboro and Pickering, bringing the daily output of flour up to 20,000 barrels a day. Their mill, located near the government elevator at Port Colborne, Ontario, has a capacity of 12,000 barrels a day, and is the largest in the British Empire.

This mill is famous for its up to date equipment and has drawn people from all parts of the Empire to see it. It is situated far out from the shore on a stone and cement pier, is electrically driven throughout, and therefore free from all smoke and smut. It is a model of efficiency, and every operation is according to a systematized plan, from the unloading of the wheat to the shipping of the bags or barrels of flour. It has its own locomotive for the making of trainloads, its own bag press room where the bags are printed in three colors with the Maple Leaf brands. It obtains its power by an exclusive transmission line from the generating

plant at De Cew's Falls. Niagara Falls is also only a few miles distant and power is readily obtainable from the three companies operating there.

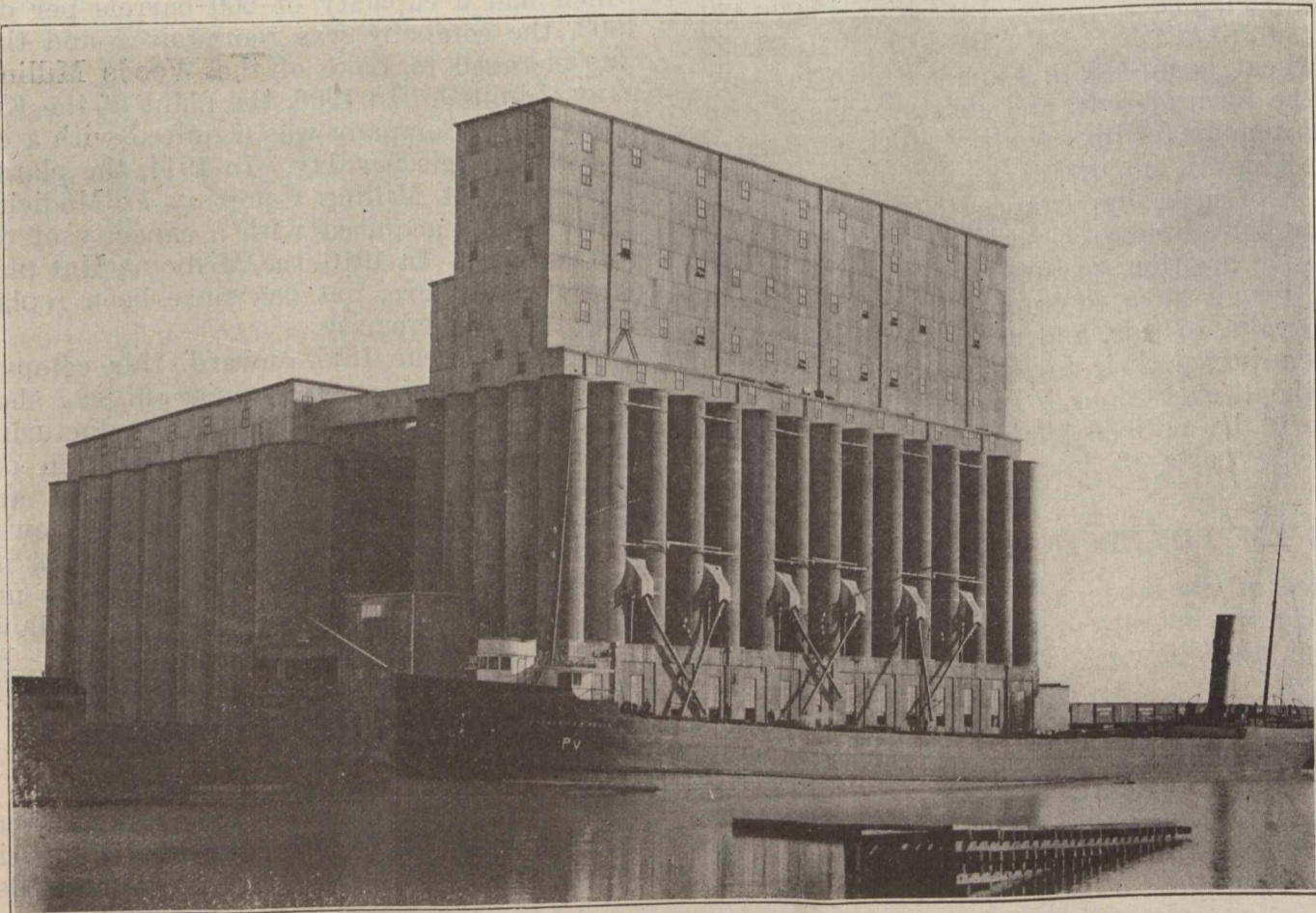
The St. Lawrence Flour Mills Company was incorporated for the building of a flour mill, with elevator warehouse on the Lachine Canal at Montreal. Their plant was completed in July, 1911, and has been in successful operation since that time.

Another well known milling company which has expanded during the war and is at present engaged in enlarging its western mill is The Robin Hood Flour Mills. They manufacture a number of well known breakfast cereals as well as flour.

Other milling companies are The Campbell Flour Mills Company, The Mile End Milling Company, both of Montreal and The Western Canada Flour Mills Company and Purity Flour, Limited.

THE OUTLOOK FOR CANADIAN FLOUR.

Canada's flour output—practically doubled during the war years—and therefore the result of an abnormal demand, is assured of continued consumption owing to the world wide demand. Not only is the demand for flour world wide, but the reconstruction of mills in Europe will take a considerable period of time, as will also the resumption of wheat production. With Austria-Hungary and Russia in a state of industrial chaos, they cannot be depended upon for any great supply for many years. The quality of Western Canadian wheat is another great factor ensuring that Canada's flour will find a ready market. Canada has been aptly termed "the bread-basket of the world" and the impetus given the Canadian milling industry by the war, will undoubtedly enable it to live up to the appellation.



THE LOADING OF BOATS FROM AN ELEVATOR

Banks, Bankers and Banking

Sharing Profits With Labor.

(Continued from Page 10.)

has been earned, the distribution (if no amount were placed to reserve) would be on the following lines:—

6 p.c. on preference shares	£300
12 p.c. on ordinary shares	600
Residue:—	
2 p.c. on ordinary shares	100
To employees in cash	100
To employees, on pension account	100
	£1,200

When an employee reached the prescribed age (say, 61) he would be entitled to an annuity justified by the amount which had been paid in to the pension fund. The pension fund should be administered by a group of insurance companies of proved stability, the risk being shared by them and "backed" by the State.

If an employee left to enter the service of another profit-sharing company his participation would go on as before, but if he entered the service of a company not adopting the scheme, provision should be made to allow him to make deposits or pay premiums to supplement the amount standing to his credit. If he did not enter the service of a firm contributing to the pension fund under the scheme, and did not himself make any payments thereto, he would, when the time came, receive as annuity the amount justified by the original allocations of profits to pension fund on his behalf.

Profits to Reserve.

Profits placed to reserve should be treated as additional capital for the purpose of calculating dividends. If, in the example I have given, the directors placed £200 of the £1,200 profit to reserve, the ordinary shareholders would only take £500, instead of £700, or a dividend of 10 p.c. for the year, but in the following year their proportion of the profits would be calculated on £5,200—i.e., ordinary share capital, £5,000, plus reserve £200. The amount to which they would be entitled would work out at £712, equal to a dividend of approximately 14¼ p.c.

If, however, it was again determined to make a similar sacrifice by placing (assuming the profits, for the sake of example, were the same), a further sum of £200 to reserve, the ordinary shareholders would receive a dividend of approx-

imately 10¼ p.c., and when the next accounting period came round the amount of the ordinary shares, for dividend purposes, would be reckoned as £5,400, and carry the right to a dividend on that sum.

For the purpose of a scheme it is assumed that the amount standing to the credit of the reserve fund will be equally as productive as the issued capital of the company. Any premium on the issue of shares would be treated as an addition to the capital.

Possible Pensions.

From actuarial estimates I have had prepared, it appears that the £5 17s paid in on pension account would, in the case of a man of 21, entitle him to a pension of £65 18s 2d on his attaining the age of 61, assuming the extent to which he shared in the surplus profits of the company to be maintained.

In the case of an employee coming within the operation of the scheme at the ages of 31 or 41 the annuity would amount to £38 17s 10d or £20 1s 9d respectively.

In the case of a female employee, the annuity would be slightly less by reason of the expectation of life being longer in the case of women.

Stock Exchange and Profit-Sharing Schemes.

To allay such misgivings or apprehensions I have looked up the quotations of the Ordinary shares of all the companies that have adopted profit-sharing schemes whose shares are quoted on the Stock Exchange, to see what effect the introduction of their schemes has had on the market price, and I find that in every instance only the normal market fluctuations have occurred. The following figures give (1) the price at approximately 12 months before the scheme was initiated; (2) the price at the approximate date of its adoption; and (3) the price approximately 12 months after, and they will be seen to support my statement:—

Spillers Milling and Associated Industries, Ltd.—			
	1905	1906	1907
1906*	13 7-8	13 13-16	14 3-4
Pease and Partners, Ltd.—			
	1906	1907	1908
1907*	13	11 3-4	11 3-4

(Continued on Page 27.)

THE MOLSONS BANK

Incorporated 1855.

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

Every business man needs a banking service that is rapid and efficient and affords him reasonable credit for ordinary requirements or special commitments.

Our Managers invite confidential interviews.

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



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Enter the particulars of your Tax payments amounts and when due, in the page provided in the Home Bank's Thrift Account Book. The details will then be in a concise form for ready reference and the dates of payment will not be overlooked. Ask for a copy of the Thrift Account Book at any branch of the Home Bank.

The Home Bank of Canada

Branches and Connections Throughout Canada
Transportation Bldg. 120 St. James Street
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SERVICE.—Our highly-developed service is available at all times for the benefit of our customers. Every well-grounded business man appreciates the importance of the co-operation, guidance and information on financial matters of his Banker.

THE STANDARD BANK OF CANADA

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

THE MERCHANTS BANK OF CANADA

Head Office: Montreal. **OF CANADA** Established 1864.
Paid-up Capital \$7,000,000 Total deposits Nov. 30th, 1919, \$167,000,000
Reserve Funds \$7,574,043 Total Assets Nov. 30th, 1919, \$200,000,000

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

HOW WE CAN SERVE CORPORATIONS AND BUSINESS HOUSES

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

- By buying their Drafts and other negotiable paper
- By issuing Bank Money Orders, Travellers' Cheques and Letters of Credit.
- By making collections in every section of Canada and Abroad.

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



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

Solid Growth

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

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

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

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

LONDON AND SCOTTISH Assurance Corporation Limited.

Established 1862.

For All Classes of Life Assurance.

SCOTTISH METROPOLITAN Assurance Company, Limited.

For Insurances against Fire, Accident, & Sickness; Guarantee Bonds; Elevator, Automobiles, Public and Teams, and Employers' Liability.

HEAD OFFICES FOR CANADA:

London & Scottish Building,

164 St. James St., Montreal.

TOTAL ASSETS EXCEED. . . . \$25,500,000

Manager for Canada: ALEX R. BISSETT.

STRIDING AHEAD.

These are wonderful days for life insurance salesmen, particularly, North American Life men. Our representatives are placing unprecedented amounts of new business. All 1919 records are being smashed.

"Solid as the Continent" policies, coupled with splendid dividends and the great enthusiasm of all our representatives tell you why.

Get in line for success in underwriting. A North American Life contract is your opening. Write us for full particulars.

Address E. J. Harvey, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY

"Solid as the Continent"

HEAD OFFICE - TORONTO, ONT.

Commercial Union Assurance Company Limited

OF LONDON, ENGLAND.

The largest general Insurance Company in the World.

Capital Fully Subscribed. . . . \$14,750,000

Capital Paid Up 4,425,000

Life Fund & Special Trust Funds 75,578,630

Total Annual Income Exceeds . . 64,000,000

Total Funds Exceed 172,000,000

Total Fire Losses Paid 215,897,380

Deposit with Dominion Govern-

ment (as at 31st Dec., 1918) . . . 1,401,333

Head Office, Canadian Branch:

Commercial Union Bldgs., 232-236 St. James

Street, Montreal, Que.

Applications for Agencies solicited in un-

represented districts.

W. J. Jopling, Manager Canadian Branch.

Insurance News and Views

British Life Companies Behind

Of a total of \$2,187,833,395 life insurance in force in Canada at the close of last year Canadian companies held \$1,362,626,562, American companies, \$758,297,691, and British companies, \$66,909,143. But while in life insurance the American companies ran a strong second and far out-distanced the British companies they were far behind in the volume of fire insurance carried on Canadian risks, the British companies doing more than half the total fire business of Canada. The question has been asked: Why should British enterprises, so aggressive and successful in fire insurance in Canada, play such a small part in Canadian life insurance?

An explanation was offered by the manager of one of the big British life companies in Montreal:

British companies do not get more life insurance business because they do not go after it as Canadian and American companies do. British companies are satisfied with an annual increase of about 12½ per cent. To them the real value of business, rather than volume of business, is the supreme consideration. It is just possible that Canadian and American companies are overdoing things a bit. They have started a drive that they may not be able to control. Then again British companies that do a life and fire business evident-

ly prefer to push the latter, as it is more profitable. The Canadian Insurance act prevents outside companies doing two classes of business in Canada. An exception is made in the case of companies that were doing both fire and life insurance prior to the passing of the new act."

The executive head of one of Canada's big life insurance companies also undertook to explain why British companies play such a small part in the life insurance business of Canada:

"It is due chiefly to the fact that they do not adopt their methods to suit the Canadian field. They get business at home in a rather desultory way, not having specialized sales forces, as in America where the agents of the most vigorous companies write insurance and do little else. The consequence is that the British companies have been left far behind. I do not think that Canadian or American companies on the whole paid larger profits. Indeed, I know of some British companies that do better in this respect than those of this continent. The British life companies seem to depend on their reputation to place policies, but this is not working out as it does in the fire business. There seems to be little chance now of the British companies catching up even if they should desire to do so."

Agents' Licenses Regulation in Ontario

Stricter relations to govern the issue of agents' licenses are contained in an amendment to the Ontario Insurance Act, which has just been introduced into the legislature. It provides that "no agent shall act for any company in Ontario unless he has fully complied with the provisions of this section, and has secured an agent's certificate of authority from the superintendent of insurance to do the class of insurance which that company is licensed or registered to do in the province."

It also provides for separate licenses for different classes of insurance, as follows: "An agent's certificate of authority may be issued for any one or more of the following divisions of insurance business, viz.: (a) Life insurance; (b) fire insurance; (c) casualty insurance. The superintendent may make regulations specifying the classes of insurance which may be included in these divisions and may include any class of insurance in two or more of the said divisions if in his opinion the character of the business so requires."

Another clause provides that "an agent having received a certificate of authority may act as agent for any company licensed or registered in Ontario to do the class of business to which the said certificate of authority applies during the term of such certificate."

Section 78I of the Insurance Act, 1916, is to be repealed, and the following substituted:—

"A friendly society incorporated under the law of the province of Ontario shall not reinsure or amalgamate with or accept the transfer of membership or funds of any other society registered according to the provisions of this act unless such reinsurance amalgamation or transfer is evidenced by a contract in writing setting out in full the terms and conditions of such reinsurance, amalgamation or transfer, and such a sworn statement of the financial condition of each of such societies by its principal officers and a certificate of such officers duly verified under oath that such reinsurance, amalgamation or transfer has been approved by a vote of two thirds of the mem-

bers of the supreme legislative or governing body of each of said societies present or duly represented at a meeting regularly called.

"The superintendent may require such additional actuarial or other reports as he may deem necessary, which reports shall be prepared at the expense of the societies.

"If, in his opinion such financial statements are correct and reports satisfactory and the contract in conformity with the provisions of this subsection and such reinsurance, amalgamation or transfer is just, and equitable to the members of the society and that the interests of such members are properly protected by the contract, he may approve such reinsurance, amalgamation or transfer and issue his certificate to that effect and thereupon such contract shall be of full force and effect and binding upon the societies which are parties thereto and all members thereof.

"If one of the contracting societies is a friendly society not incorporated under the law of the province of Ontario the Superintendent shall not issue his certificate until it has been established to his satisfaction that such society has fully complied with the requirements of the law of the legislative authority under which the society was incorporated; provided that a certificate of the supervising insurance official appointed by such legislative authority that such society has fully complied with the requirements of the law of the said authority shall be sufficient evidence to the Superintendent of the fact."

Through the medium of an interesting booklet, the commercial and Industrial Museum of Montreal, (annex of the Faculty of Commerce, Laval University), is appealing to Canadian manufacturers for samples of their products in the different stages of making. The exhibit will be permanent and in time it is hoped to include all the commodities of the world. The office is at 399 Viger Avenue, Montreal.

Dominion to Control Insurance

There has been a movement or proposal that the Insurance Department at Ottawa should take a hand in the supervision and control of all agents in Canada, a duty which has hitherto been left to the provincial departments in the respective provinces. An amendment to the Insurance Act has been drafted which would confer on the Dominion Insurance Department the necessary powers to issue licenses and regulate and supervise agents and their transactions. This amendment has not so far been presented in Parliament. It reads:—

"78A. (1) It shall be a condition of the license issued to any company under this Act, whether such condition be expressed in the license or not, and for the breach of which the said license may be cancelled, that no compensation or remuneration by way of commission shall be paid to any person, partnership, association or corporation, for soliciting for, or obtaining applications or proposals for, insurance, or for collecting premiums from policyholders, unless such person, partnership, association or corporation shall have obtained from the superintendent a license to act as an agent of the company or as a broker.

"(2) Before any such license is issued the applicant therefor shall file an application on a form to be supplied by the superintendent, and shall furnish such information as the superintendent deems necessary to satisfy him that the applicant is competent to discharge the duties of an agent of the company or of a broker as the case may be.

"(3) Every agent and broker to whom a license is issued under this section shall keep a record of the insurance business transacted by him under such license, in such form and with such detail as the superintendent may require, and such record shall be open to the inspection of the superintendent.

"(4) Every such agent or broker shall when requested by the superintendent file with the superintendent a statement in such form and with such detail as the superintendent may require.

"(5) The license of every such agent or broker shall expire on the thirty-first day of March in each year, and shall, subject to the provisions of this section, be renewable from year to year.

"(6) The superintendent may cancel the license of any agent or broker licensed under this section for violation of any provision of this Act, or if it is established to the satisfaction of the superin-

tendent that he has been guilty of misrepresentation or of fraudulent practices or if in the opinion of the superintendent he has become incompetent or incapable of acting as agent or broker, but no such cancellation shall become effective until a hearing has been given to the agent or broker whose license is proposed to be cancelled.

"(7) Any agent or broker whose license has been cancelled by the superintendent, shall have the right of appeal to the Treasury Board by giving notice of his intention to so appeal within ten days of his receiving notice of the cancellation of his license, and, pending the decision of the Treasury Board, the cancellation of the license shall have no effect."

At the last monthly meeting of the Toronto Life Underwriters' Association it was stated that life insurance agents had objected most strongly to the proposal, and in view of this it was possible that the Ottawa department would not proceed with the measure. The life men would prefer a separate license for life business as distinct from fire and casualty, but they do not wish for any dual control such as would obtain if the Insurance Department at Ottawa gets these licensing powers.

The Saskatchewan Life Underwriters' Association at their meeting in April, passed the following resolution:—

"Resolved, that this meeting is of the opinion that the question of the licensing of agents should be left entirely in the hands of the provinces, and that a copy of this resolution be sent to the Superintendent of Insurance for the Dominion, the Superintendent for Insurance for the Province of Saskatchewan; J. A. Tory, chairman of the Dominion Life Underwriters' Association Legislative Committee, and every western underwriters' association, and through the local associations to their federal member."

The estimated cost to the Province of the proposed Mothers' Allowances Act, by means of which Ontario will give pensions to widowed mothers of children who are poverty-stricken, is \$895,533 for the first three years. The scheme is good, for the sake of the children and the mothers, too. At the same time, one cannot but think how much of such hardship and poverty and its subsequent cost to the State, could be saved by adequate insurance on the part of the fathers of families. Life insurance provides the means of a "self-help" which every man should avail himself of to obviate the necessity of his family ever having to be looked after by the State or anyone else. There are few men in Canada today who could not with a certain amount of sacrifice possibly, maintain a life policy of \$3,000.

Bank of Montreal.

Notice is hereby given that a DIVIDEND of THREE Per Cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter payable on and after TUESDAY, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1920.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 20th April, 1920.

Bell Telephone Main 2181-2182

The Strathcona Fire Insurance Co.

Head Office: 90 St. James St., Montreal

NONTARIFF

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

A. A. MONDOU,
Pres. and Gen'l Mgr.

J. MARCHAND,
Secretary

Royal Securities Enters American Field.

A direct reflection of the growing attractiveness of Canada and Canadian securities as an investment field for American capital is the announcement by Royal Securities Corporation of the opening of a New York office. To conform with the requirements of New York State laws, the new branch has been incorporated under the name of Agency of Royal Securities Corporation (Canada) Limited. Its offices are located at 165 Broadway under the management of Oliver E. Hurd. The extension of the facilities of the Corporation to include the American as well as the Canadian and British markets will tap additional capital for the development of Canadian public utility and industrial enterprise, in the financing of which the Corporation is a leading factor.

BUSINESS INSURANCE

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

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

CANADA LIFE ASSURANCE COMPANY
Home Office Toronto

Founded in 1806.

THE LAW UNION AND ROCK INSURANCE CO., LIMITED

OF LONDON.

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OVER \$10,000,000 INVESTED IN CANADA.
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Agents wanted in unrepresented towns in Canada.

COLIN E. SWORD, Canadian Manager.
W. D. AIKEN, Supt. Accident Department.

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FIRE INSURANCE, A.D. 1714.

Canada Branch, Montreal:

T. L. MORRISEY, Resident Manager.

North-West Branch, Winnipeg:

THOS. BRUCE, Branch Manager.

AGENCIES THROUGHOUT THE DOMINION.

1870 OUR GOLDEN JUBILEE 1920

They Put On More Insurance!

Mutual life policyholders last year increased the amount of their protection taking out additional policies to the amount of more than ten million dollars. They were alert business men who realized the necessity for increasing their life insurance because of the increase in the value of the necessities of life. In proportion as money loses its purchasing power we require more of it to maintain the same protection. Have you increased your insurance since the prices went up? The smaller the value of the dollar the more dollars we need. As a company, the Mutual does not advocate an excessive amount of insurance. At the same time every reasonable effort should be made to increase the insurance in times of inflated prices. Follow the example of the 3,139 mutualists who increased their insurance last year. Put on more insurance!

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



Last Day for Tax Returns

is April 30th. But we suggest that you do not wait until then to obtain and fill out the proper forms.

Do two things now. Send to the Post Office or your local Inspector of Taxation for the Income Tax forms, and write for our pamphlet: "The Income Tax and the Average Man."

Its contents will enable you to fill out the forms more accurately. It will be sent free for the asking.

33

Royal Securities CORPORATION LIMITED
MONTREAL

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

The Pulp and Paper Industry

A Constant Change of Prices

Paper buyers do not know what the next day's price may be — Industry could sacrifice some prosperity for return to normal conditions.

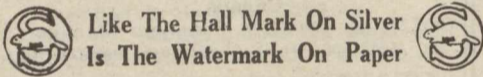
With prices changing over night and with buyers of paper not knowing today what they are going to pay tomorrow for their shipments, with the stocks low and shipments decidedly backward, the condition of the Canadian paper trade generally is far from satisfactory, except in the sense that the industry is tremendously prosperous financially. But the trade as a whole would gladly sacrifice a little of the prosperity if business would return to fairly normal conditions again, a consummation that can hardly be looked for until the prevailing under-production is overtaken and the present great demand slackens. Market lists at the present time, for most lines of paper, are not a very illuminating guide. As one leading paper man put it, "we have one price today and another tomorrow and a number of lines are off the market altogether—so how can we quote prices." The same man was in New York the other day and was offered 15 cents a pound for carload lots of newsprint which order he would have been glad to fill if he could. It is known that some spot lots of Canadian newsprint have been sold at 12 1-2c. Other lines are soaring in sympathy with the ever-increasing price for both mechanical and chemical pulp. Groundwood pulp is now quoted at from \$100 to \$110 a ton and bleached sulphite has soared to the \$200 mark in some instances, although around \$150 appears to be the ruling figure. Easy bleaching sulphite is selling at from \$110 to \$120 and the top price for sulphate is \$115 a ton. Enquiries are coming into the Canadian mills from all quarters and foreign buyers are ready to pay almost any price for pulp and offers have been made of late, of twelve cents a pound and more for spot lots of bleached sulphite.

All these sky-high prices for raw material have

been having their effect on the finished paper goods in the form of frequent advances on several lines. There has been another advance of a cent on Manilas and fibres and the following prices now prevail in carload lots to jobbers: grey browns and white wrap 8c.; "B" Manila, 8 1-4c.; No. 1 Manila, 10c.; fibre 10c. With toilet and tissue plants from three to six months in arrears in the matter of deliveries another increase has just gone into effect on toilet paper. The basic discount on one case lots and less has been changed from 3 and 5 to 25 per cent and other and larger quantity quotations in proportion. The new price advises that to all wholesalers and jobbers, as well as wholesale grocers in 10-case sorting-up lots in one shipment, the 25 case discount is allowed in addition to the discount applying on less than three case lots. Shipments of not less than 50 case lots may be favored in proportion to car lots, buyers direct to their consumers at the car discount. On such shipments, if made to an f.o.b. point, carload rate of freight only will be equalized on the basis of carload rates of freight.

Kraft, both glazed and unglazed, is a scarce article of merchandise and orders sent to the mills for the former, are meeting with no concrete response. From 11c. to 12c. is the prevailing price for the commodity and the product is being doled out on a rationing basis and as carefully as a quartermaster handed out the rations during an advance on the western front. Kraft pulp is very firm and the ruling figures are from \$125 to 130 per ton. There is a shortage in vegetable parchment and owing to the increased cost and the shortage of raw material, one firm dealing in that commodity has withdrawn its

Continued on next page.



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Montreal

Interlake Tissue Mills, Limited

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

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For Business Stationery

Write for the Earnscliffe Sample Book. It shows specimens of this very fine Canadian Made Paper—in all standard weights and sizes and in eight different contrasting colors.

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THE **ROLLAND PAPER COMPANY LIMITED** MONTREAL

The "R Shield" Watermark Guarantees "Rolland Quality"

The Pulp and Paper Industry

A Constant Change in Prices

Continued from preceeding page.

price list and all the book and writing paper mills are quoting at prices prevailing at time of shipment. In justification for this it is pointed out that no other course is available owing to the way that quotation for pulp, paper stock, rags, etc., are on the upward grade all the time. Advices, of advances are received nearly every day and shipments are most uncertain owing to the shortage of cars, scarcity of supplies and other causes. Some of the paper mills are sold up to September next, even if no more orders were booked. One of the leading stationery manufacturing firms in Toronto placed an order for certain lines of paper as far back as September last and is still looking for the stock.

Some of the mills making various lines have in the past been able to turn out considerably more quantities than required in the way of cover papers, bristols, tag Manilas, etc., but there are no stocks of any dimensions on hand at the present time.

The shortage of skilled help is handicapping the box board manufacturer and the number of manufacturing firms requiring containers for their goods who are installing their own box-making plants, is increasing. Several of the large chocolate works and textile firms have now box making plants as part of their regular business and they, in common with the regular box-making factories, are complaining of the difficulty with which box board is secured.

Pulp Prices

	F.O.B. Mill.
Groundwood pulp	\$100.00 to \$110.00
Sulphite, news grade	\$82.50 to \$90.00
Sulphite, easy bleaching	\$110.00 to \$120.00
Sulphite bleached	\$140.00 to \$150.00
Sulphate	\$110.00 to \$115.00

Paper.

(These prices, for the most part, must be considered as nominal, the situation in many lines being quite abnormal.)

xBook papers (carload), No. 1	13c.
xBook papers (ton lots) No. 1	13½c.
xBook papers (carload), No. 2	12c.
xBook papers (ton lots), No. 2	12½c.
Ledgers	17c. up
Sulphite bonds	15½c.
Light tinted bonds	16½c.
Dark tinted bonds	28c.
Manila B	\$8.25
White wrapp	\$8.00
Writings No. 2 (M.F.)	13½c.
Writing No. 1 (S.C.)	15½c.
Coated book and litho, No. 1	\$14.50
Coated book and litho, No 2	\$13.50
Coated book and litho, colored	\$14.75
Grey Browns	\$8.00
Fibre	\$10.00
Manila, No. 1	\$10.00
Tissues (unbleached sulphite)	\$1.40
Tag Manila	\$10.00
Unglazed kraft	\$11.00
Glazed kraft	\$11.00
Tissues, bleached	\$1.65 to \$2.00
Tissues, cap	\$1.25
Tissues, Manila	\$1.10 to \$1.30
Natural greaseproof	17c.
Bleached grease proof	19c.
Genuine vegetable parchment	23c.
Bleached white glassine	32c.
Drug papers, whites and tint	10½c. and 11½c.
Paper bags, Manila (discount)	20—5 per cent
Paper bags (kraft)	30—5 per cent
Confectionery bags, white	20—5 per cent
Straw board	\$88.00
Chip board	\$88.00

Vat lined chip board	\$96.25
Filled wood board	\$99.00
News board	\$26.25
Manila lined folding board, chip back	\$104.00
Pulp folding board	\$113.00
Jute board, No. 3	\$88.00
White patent coated board	\$145.00
Grey folding board	\$126.00

*The Government price of 4 cents for news-print rolls in carloads to Canadian purchasers is general to July 1. Other sales are much higher, when paper is to be had.

xThese prices are for machine finish super-calender, one-half cent higher.

Fraser Paper Company Buying Lands.

The sale of the lands of the New Brunswick Railway Co., which consist of 1,700,00 acres, to the Fraser Companies, Ltd., has been recommended by the directors' and a meeting of the shareholders is called for June 1 next to consider the recommendation of the directors concerning the sale of the company's properties and to authorize the directors to sell or dispose of all or part of the same at such a price and on such terms and conditions as they may approve.

Following the incorporation of the Fraser Paper Co., Ltd., with authority to erect dams and pulp and paper mills at the Tobique Narrows, N.B., negotiations were carried on between the railway company and the paper company in this connection, and it is understood that the deal will be put through if the shareholders of the former concern approve. If the paper company takes all the railway company's lands, the sum involved will run into many millions of dollars.

British Engineering Exhibitions

The Machine Tool Trade Association of Great Britain has arranged to hold an exhibition of machine tools and kindred engineering products in Olympia, London, during the coming autumn. Practically the whole of the available space, which is very extensive, has already been booked. The British Electrical and Allied Manufacturers' Association will hold an electrical exhibition, probably in the same building during 1922.

St. Maurice Paper Company Limited

Head Office
522-524 Board of Trade Building
Montreal

MANUFACTURERS OF
NEWS PRINT, SULPHITE,
KKAFT, GROUNDWOOD
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Lumber Mills, Charlemagne, Montcalm,
St. Gabriel de Brandon,
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The Spanish River Pulp and Paper Mills, Limited

Sault Ste. Marie - - Ontario

Daily Capacity.

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

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Espanola, Ontario.
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Pulp, Newspaper, Cardboard, &c.

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Matane Salmon Lake Saguenay District

PAPER AND PULP MILLS:

Kenogami Jonquiere Rimouski

Canadian National Railways

MONTREAL-OTTAWA SERVICE.

CANADIAN National Railways operate convenient service to Ottawa leaving Montreal (Tunnel Terminal) 9.15 A.M. daily except Sunday and 5.20 P.M. daily.

Returning leave Ottawa (Central Station) 8.45 A.M. daily and 5.15 P.M. daily except Sunday.

Tickets and full information obtainable from City Passenger Office, 230 St. James St., Tunnel Terminal, or nearest Agent Canadian National Railways.

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Canada's Mining Industry

Injunction Against Mine Sale

Marigold Company are restrained from selling Lucky Cross Mine at Swastika — Nipissing Mine is still storing its output.

The Marigold Company at Swastika has been restrained by injunction from selling the whole or part of the property formerly optioned from the owners of the old Lucky Cross mine at Swastika. It is stated that the Marigold Company was formed for the purpose of taking over a part of the Lucky Cross ground, but that difficulties in financing the scheme caused the deal to fall through. In the meantime, however, the directors of the Marigold, alleged to have been appointed by the control, entered into a deal to sell part of the holdings without having called a meeting of the shareholders of the company.

The Hunton-Kirkland Mine is likely to undergo a program of development as a result of a deal that has been closed by which ample capital is assured. Under the terms of the agreement, money is to be paid into the treasury in return for which treasury shares are to be issued. The funds thus provided are to be used in installing an up-to-date mining plant as well as necessary development of the works. It was on the surface of Hunton-Kirkland that some of the richest showings of gold were discovered in the early days of the camp.

Reports from Timmins indicate that the gold mines of Northern Ontario are greatly strengthening their position as a result of improved labor conditions. From the proven zone the amount of bullion being produced has attained proportions greater than ever before in Ontario's history, while there is a tendency to increased production in all directions, particularly in the newer camps.

Cobalt ore shipments for April included nine cars of ore containing close to three quarters of a million pounds from six Cobalt companies, which constitutes a record.

The Mining Corporation, with three cars, containing close to a quarter of a million pounds, was the heaviest shipper.

Following is a summary:—Mining Corporation, 3 cars, 240,277 pounds; McKinley-Darragh, 2 cars; 189,188 pounds; Coniagas, 1 car, 88,000 pounds; O'Brien, 1 car, 77,673 pounds; Hudson Bay, 1 car, 61,522 pounds; Peterson Lake, 1 car, 60,000 pounds. During the corresponding period the Mining Corporation was the only bullion shipper, sending out 50 bars containing 50,783 ounces. The Nipissing, the leading producer, continues to store its output.

Plans for the development of the old Keely Mine in South Lorraine provide for the carrying of the main shaft from its present depth of about 230 feet to the underlying diabase formation, estimated to be about 350 feet or more in depth, as well as for conducting lateral operations. Considerable work will be done along the large vein which passes over the Beaver Lake and the Keely property. The Keely control has also optioned the Beaver Lake property.

The main shaft of the Kirkland Lake gold mines will be continued to a depth of 900 feet and arrangements are now being made for the work. The present greatest depth at the mine, which holds the record in the Kirkland Lake camp, is 700 feet. Stopping operations at the 300-foot level have resulted in opening up a substantial tonnage of high-grade ore.

Excellent progress is being made at the Ontario Kirkland Mines where the main shaft has reached a depth of 450 feet. With the completion

of a sum to a depth of 20 additional feet, a large working station will be cut, preparatory to driving cross-cuts both north and south. Two important ore shoots were opened up at the 300-foot level and one of these shows an average of \$20 for upwards of 100 feet in length and over the entire width of the drift. It has been decided to wait until the development program is completed at the 450-foot level.

Food Prices in the United Kingdom.

For the United Kingdom wholesale food prices in February, 1920, were 182 per cent higher than in 1913 or 1914, as measured by the Board of Trade index number for the month, while retail food prices were 135 per cent higher than in July 1914, at the beginning of February and 133 per cent higher at the end. For instance the wholesale price index for food shows an advance of about 340 per cent on the pre-war level, while the retail index shows an advance of about 200 per cent. For the United States wholesale prices of food had risen by 153 per cent and retail prices by 97 per cent. Only in Sweden, of all the countries for which data is given, was the advance similar in extent in wholesale and retail markets.

These divergencies are not to be explained by differences in the nature of the data used or in the method of their combination. The principal, if not the only, explanation is to be found in the control exercised by the various Governments over some of the important articles of food, extending to subsidising as well as regulating the retail sales. Bread, a very important item in the household expenditure of the masses of the people, has been the most generally regulated and subsidised of all foods, and the tendency to reduce the public expenditure on bread will doubtless be reflected in the figures whose comparison at recent dates has been dealt with in the preceding paragraph.

A Giant Battle Cruiser

The British battle-cruiser Hood, begun in September 1916, launched in August 1918, and recently completed, represents many of the latest advances in man-o'-war design and construction. A prominent feature is the "bulge" or "blister" which surrounds the main hull of the ship below the water line and protects it against torpedo attack. The Hood carried eight 15-inch guns, all on the middle line of the vessel, and there are twelve 5.5 inch guns, four 4-inch anti-aircraft guns, and six torpedo tubes. The propelling machinery consists of four distinct sets of turbines, each driving a separate shaft through gearing. Together they develop the huge total of 144,000 horse power. For various auxiliary purposes there are 360 electric motors, and some of the pumps are of the submersible electric type which operates under water. Nearly three thousand incandescent electric lamps are used on board, in addition to electric fires and cooking apparatus. On the trial trips the turbines developed 157,000 shaft horse power, and propelled the vessel at a speed of 32 knots.

A Union of the Middle Classes

The Middle Classes Union in Great Britain, which recently observed the anniversary of its foundation, has been justly described as one of the most interesting political phenomena of recent times. Inaugurated during a period of tremendous social upheaval, when the tendency of Labor and Capital to settle their differences without the smallest regard for "the third party to the social contract" had been thrown into glaring relief by the threat of a general strike, the Middle Class Union seems to have made an instant appeal. According to a statement recently made by Captain Stanley Abbot, the secretary of the Union, there are today 140 branches throughout the country. No branch can be formed on less than 250 members, and many of the branches have already as many as 1500 members. Everywhere, Captain Abbot declares, the movement is gaining ground "with increasing momentum."

This last fact alone renders it very important that the exact character of the Middle Class Union should be understood. It is not, in any sense of the term, a trades union or an amalgamation of trades unions. Its purpose is much wider than the mere safeguarding of special interests. For, whilst the union aims to secure justice for the middle classes where their rights are threatened, either by the striker on one hand or the profiteer on the other, using these exceedingly loose terms for lack of better, its main purpose is entirely national. It seeks, in fact, to obtain for the whole community those privileges and beneficial reforms which, at the present time, are all too apt to be regarded as the special right of a certain class. This is notably the case in regard to that very national question, the question of housing. The Middle Class Union is determined that all classes, and not merely Labor, shall benefit under the recent housing legislation, and it is actively moving to secure representation for itself on government commissions, conferences, and councils.

Then the union is quite determinedly opposed to nationalization of industries, on the grounds that "bureaucratic control is invariably wasteful," and because such a policy "must impose further burdens upon the taxpayer." The union also demands reforms in the imposition of the income tax, the suppression of profiteering, and "the strongest possible measures against Bolshevism." This last is perhaps the most prominent feature of the Middle Class Union. Its members recognize very fully that, in a strike of any magnitude, the chief sufferer, first as well as last, is "the third party," and that when a strike assumes anything like national dimensions it amounts to an open declaration of war upon the community as a whole. The Middle Classes Union, therefore, makes it perfectly clear that, whilst it does not regard itself as being, in any sense of the term, "a strike breaker," it is determined to prevent the "holding up" of the whole community by any one section of the community. It is determined to prove that "the people as a whole are greater and more powerful than even the most thoroughly organized minority," and it stands pledged to develop the organization of its members "so as to render effective help in the maintenance of essential public services during any emergency; and to prevent 'lightning strikes.'"

Another feature of the Middle Class Union which is worthy of special note is the fact that it is entirely non-party in character. Unlike Labor, it does not seek to secure direct representation in Parliament, but rather cuts entirely athwart the lines of party by urging its members to support that candidate, regardless of party, who undertakes to uphold the ideas advocated by the union. Where all the candidates at a given election afford satis-

factory undertakings on this point, the member is to regard himself as left free to make his choice, if he so desires, in accordance with his old party allegiances. What the result of such a political doctrine will be when the Middle Class Union secures an active membership anything like commensurate with the number of those that come naturally within its ambit, it is impossible to predict. The outcome largely depends, of course, on the extent to which the industrial problem is really solved. As Captain Abbot pointed out it was the aggressiveness of Labor and the challenge which certain sections of Labor offered to what the Middle Class Union believed to be essentially right in the existing social order which first brought the union into being. The continued existence of this challenge on the one hand, together with the aggressive policy of pure capitalism on the other, is the reason for its continued activity.

The next few months and years may see some far-reaching changes. At present, for instance, the union expressly dissociates itself from any adherence to such a narrow shibboleth as "Our Trade, Our Politics." The recent formation, however, of the Federation of Black-Coated Workers, and the tendency now observable to check the drift towards an alliance with Labor, which was, at first, so marked, are further indications, if any were needed, that the course of the Middle Class Union in Great Britain is by no means fixed and settled.

Our Partnership With England.

Continued from page 8.

conditions in England. I studied the past history of Nations and I found out that there were several essential and fundamental features that had built up the greatness, both economically and politically, of the British Empire. Outstanding amongst these things, stood the fact that they had been able to send out from England the basic material of the world; coal and iron and steel. The fact that they were able to send out full cargoes made it possible for them to build ships, and that by building these ships, they became the owners of a great mercantile marine, a mercantile marine which has achieved distinction as being known as having the supremacy of the seas.

The majority of people have an idea that the great mercantile marine made the success of England. That is an entirely erroneous idea. That great mercantile marine could not have been built up if there had not been the cargoes to fill these ships with, which went to the four corners of the world, where they traded in kind but always brought back a balance in favor of England, and thus was built up the great credit and wealth of the United Kingdom.

After studying these facts, I came to the conclusion that was very obvious, that the basic material which made England, and which is to-day the basic material of the world, was the best place where I could start to try and accomplish my dreams and aspirations as to Empire partnership. It is perfectly obvious to you Canadians why I did this. I knew of the great deposits of ore and coal in Newfoundland and Eastern Canada. I knew the unique geographical position that Sydney occupies, closer to any part of the world that consumes iron and steel than any other steel producing centre in the world, and having the greatest resources of coal and iron ore known of in the world to-day, side by side, on tide water, with some of the finest harbors in the world.

On the other hand, there were my friends and colleagues in England with whom I was fortunately associated, who had their great finishing

mills in England, but who had exhausted their ore, who had all their centuries of experience both in manufacturing and marketing their material. Well, the course was perfectly obvious. A combination of interests.

This combination of interests will not stop between us and the great steel masters of England. We can make most interesting arrangements with India and Australia, and what you have read of the British Empire Steel Corporation in the papers is only the beginning of the greatest industrial partnership that has ever been conceived within the Empire. You as Canadians can be proud that it is a Canadian corporation that is being the parent of this great consolidation. It is going to mean much to Canada.

There has been no consolidation of industries, to my knowledge, that has ever taken place, which has been worked out so scientifically, as fairly and on such conservative lines as the consolidation to be known in the future as the British Empire Steel Corporation. I only ask you to consider one comparison.

The United States Steel Corporation formed some twenty years ago, had not one dollar of assets behind their common stock. Their preferred stock represented the value of their minerals in the ground, and it was only their bonds that represented physical assets above the ground. It was a great conception—the United States Steel Corporation—and it took a great man like the late J. Pierpont Morgan to realize the advantage of consolidating the ore mines, the coal mines, the railroads, the steel plants, the shipbuilding works and the shipping companies, to make a complete unit, and, his conception has resulted in the greatest and most successful industrial organization known of in the world to-day. In spite of the fact that common stock of that consolidation was nothing but pure water, and there was half a billion dollars of it, to-day they have built up over \$200 a share of actual assets behind it, and their prices to-day in the markets of the world are lower than any independent company in the United States.

Now, compare the position of the United States Steel Corporation with the British Empire Steel Corporation, which I have had the honor of organizing. We start out in the first place by simply assuming a very nominal funded debt of 43 million dollars. We assume and put against the outstanding preference shares of the constituent companies an equivalent amount of preference shares, namely, 37 million dollars. We issue 25 million dollars of 8 per cent preference participating shares as against an equivalent amount of cash, and we pay for the combined properties 68 million dollars in 7 per cent non-cumulative preference shares and 77 million dollars of common stock. That makes a total of 250 million dollars.

What do we pay for it? We have an appraised value that has been substantiated by the greatest experts obtainable on the North American Continent and England, of 403 million dollars of assets, plus a surplus of some 42 million dollars of quick assets over current liabilities. In other words, we have a net asset value there of 450 million odd dollars.

In all practices in the past not only in this country but in others, the appraised value of assets has settled the basis of capitalization, plus an amount for goodwill. The latter item usually covered the water that was introduced in these concerns. Fortunately, most of our big Canadian corporations have been able under process of time to eliminate this water through their earnings. The water introduced in the United States Steel Corporation was an enormous amount, and yet they have been able to turn this half billion dollars of water into a billion dollars of actual assets.

But what are we doing in this consolidation? There is no such item as goodwill, which means

Continued on next page.

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May 15	*Carmania
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May 22	June 26	July 31Caronia
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May 19	June 23	July 28Royal George
N.Y.—CHERBOURG, SOUTHAMPTON		
May 22	July 3Mauretania
June 19	July 17	Aug. 14Imperator
July 31	Aug. 28	Sep. 25Aquitania
N.Y.—PATRAS, DUBROVNIK, TRIESTE		
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N.Y.—DUBROVNIK & TRIESTE		
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Continued from previous page.

no water. On the contrary, we are not capitalizing on the basis of valuation but on the basis of practically only 50 per cent of our valuation. One of the greatest objections I have met with the various directors of the companies that constitute the British Empire Steel Corporation, was the fact that they could not understand why I did not make the capitalization equal to the valuation. It was a fair question. There is no reason in the world why we should not have an extra 200 million dollars of common stock. We would be justified in having it. The value is there and there is no doubt that the earning power will be there.

My idea was simply this. You in Canada, and I include myself in this, have been accused in the past of over-capitalizing our industries. Here is the greatest industrial consolidation that has ever been attempted in the Empire and, in view of the co-operation both financially and commercially, of the great steel masters of England, and in view of the fact that this consolidated balance sheet is going to be studied in bankers' parlors in every financial centre of the world, I felt the day had come when we should lead the way in showing that we could bring about a consolidation on more conservative lines than has ever been known of before in the history of the industrial and financial world. On the basis of this consolidation the appraised value of assets are over \$350 per share against every share of common stock, and on the basis of the estimated profits made by my friends in England, who are great experts in the coal and steel industry, we will earn an amount which will make the value of 350 per share a dividend paying value on that basis.

It is quite true that if we increased our capital to what it really should be, Dominion Steel, for instance, instead of getting \$40 of common in addition to their \$95 of preference non-cumulative shares, would probably get over \$100 a share, but that would not mean any more to the individual holder. True, his market value might be more, but surely the people of Canada are going to have faith in a great fundamental industry in which the steel masters of England are willing to put their money, and I am certain that none of them want to see watered stock or over-capitalization, but prefer to see something done on the lines that will increase the prestige and credit of Canadian industrial institutions in the eyes of the world.

There has never been, to my knowledge, such detailed examination by the greatest experts in every branch connected with the assets and resources and earning power of each concern, as in this consolidation; there has never been such a minute scientific proportionment of the various values of the properties of the various companies. It has been done without fear or favor and I am certain the result will be that we are going to have a great corporation that will result in doing credit not only to Canada but to the British Empire. In conclusion I would like to repeat a quotation I made in Ottawa recently, from Kipling: —

"Gold is for the mistress,
Silver for the maid;
Copper for the craftsman
Cunning at his trade;
"Good" said the Baron
Sitting in the hall,
"But iron, cold iron,
"Is master of them all."

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Continued from page 19.

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1914*	7 3-8	8	8
Wm. Cory and Son, Ltd.—	1913	1914	1915
1914*	1 3-8	1 3-8	1 11-22
Home and Colonial Stores, Ltd.—	1914	1915	1916
1915*	2 5-16	2 7-12	2 1-8
William Hollins and Co., Ltd.—	1916	1917	1918
1917*	1 3-8	1 13-32	1 3-8
Burmah Oil Co., Ltd.—	1918	1919	1920
1919*	8 1-2	13 5-8	17
British Empire Trust Branch Firm Started at Vancouver			
Co., Ltd.—	1918	1919	1920
1919*	11-16	3-4	11-16
Distillers Co., Ltd.—	1918	1919	1920
1919*	18	19 7-8	19 3-4
London County Westminster and Parr's Bank, Ltd.—	1918	1919	1920
1919*	17	16 1-2	14 3-4
Bryant and May, Ltd.—	1918	1919	1920
*	19-16	17-8	1 11-16

*The year in which the scheme was introduced.

I do not attempt to suggest that the details of the scheme should be regarded as other than tentative, and if any feature should be calculated to frighten capital—even though the apprehension might not be justified—modification of the offending provision would be imperative. On the other hand, it should be borne in mind that no scheme will achieve any useful purpose unless in framing it a bona fide attempt is made to, in some measure satisfy the reasonable aspirations of labor and to put the relationship between employer and employee on a happier footing.

All Canadians Are Forest Owners.

Canada is in a unique position in regard to forests. Not only has she still large forest resources, but about 95 per cent of the land on which these forests stand, belongs to the Dominion or to provincial governments—that is to the people of Canada. Nor is this ownership merely nominal. The different governments receive from the lumberman a price per thousand feet when the timber is cut and a ground rental for every year the lumberman occupies the land. Thus, in addition to the benefit Canada receives from timber as a great basis of trade and manufacture, the taxes are reduced by the amount of this revenue. It therefore doubly behoves every Canadian to do all in his power to stop forest fires. Tourists may start a fire by throwing a lighted match from a smoking-car, or a clearing fire may get away from a settler clearing his land, or a hunter or fisherman may leave his camp-fire still burning when he breaks camp. Everyone should remember that every time these things happen and a fire starts every citizen in Canada is a loser. Those who care to pursue this subject further may secure free of charge a bulletin giving the statistics of forest fires by applying to the Director of Forestry, Ottawa.

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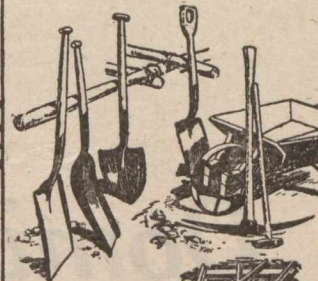
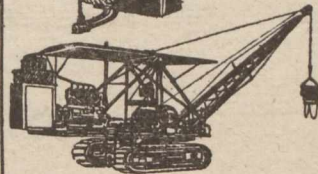
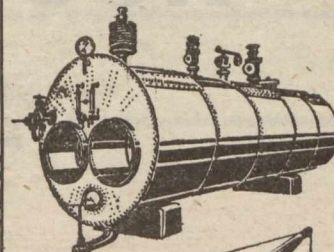
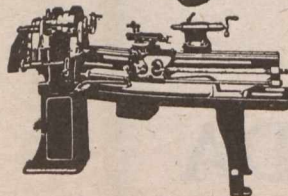
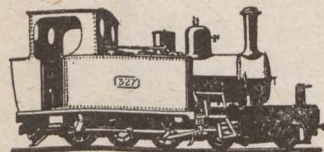
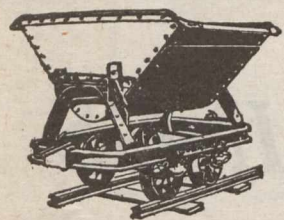
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