VOL. CLXVI. No. 49

THE GAZETTE, MONTREAL, FRIDAY, FEBRUARY 26, 1937.

Tariff, Taxation and Trade Pact Data

OPTIMISTIC NOTE STRUCK BY DUNNING

In Review of Year, He Forecasts Substantial Further Improvement

HE WARNS OF EXCESSES

Sees 'Suggestion of Mentality' of Late 20's-

Deplores Lag in

ppointed if by this time next year anada has not moved substantially further along the road to economi

Mr. Dunning then reviewed busmer. Durining then reviewed bus-iness and economic statistics and pointed to improvements all along the line during 1936. Leading in-dustries all reported increased out-put, both domestic and foreign trade was up, farm prices were better al-though crops were not all they might have been, dividend pay-ments were higher, low interest rates had encouraged new bond

Depictes Lag IIIConstructionMr. Dunning then sounded a
warning against stock market spec-
ulation and noted a revival of con-
ditions which had led to disaster in
pre-depression years.Ottawa, February 25.—(P)—"If I
cannot bring you greater brevity
than last year perhaps I can bring
you greater cheer," said finance
minister Dunning as he began his
budget speech in the House of Com-
mons today. He said his efforts to
shorten the annual financial state-Image: Description of the majorConstructionOttawa, February 25.—(P)—"If I
cannot bring you greater brevity
than last year perhaps I can bring
shorten the annual financial state-Turning to the international situa-
important development during the
wear. It removed one of the majorShorten the annual financial state-

mons today. He said his efforts to shorten the annual financial state-ment had failed. "Viewing the situation broadly in the light of the progress of the past year and the major underlying forces at work, I believe I can fair-ly say that since 1929 no New Year has dawned with brighter promise for Canada. I shall be greatly dis-appointed if by this time next year

	10.	
	1935-36	Estimated 1936-37
Ordinary expenditures	\$372,539,000	\$391.860.000
Ordinary revenues	372,222,000	443,388,000
Deficit (-) or surplus on ordinary account	-317,000	51,528,000
Special expenditures	102,047,000	80,429,000
Less: Special receipts	320,000	8,125.000
Balance	101,727,000	72,304.000
Add: Capital expenditures	6,544,000	3,447,000
Add: Government-owned enterprises	50,940,000	44,472,000
Add: Other charges	515,000	19,310,000
Less: Other credits	54,000	610,000
Add: Deficit or deduct surplus as above	317,000	51,528,000
Total deficit or increase of direct net debt	\$159,989,000	\$ 87,395,000

 the province is a problem to which the verse map from the province is a versue state of the province is a versue of the province is the versue of the province is the versue of the province is a versue of the province is the versue of the province is a versue of the province is the province of the province is the versue of the province is the province of the province is the versue of the province an important contribution to the national welfare in advising Gov-ernments on financial problems. The commercial banks had ample reserves for the accommodation of borrowers and were prepared to Summary of unemployment re-lief expenditures with figures for the previous year: Estimated 1936-37 1935-36 Grants-in-aid to provinces Dominion's share of joint Dominion-provincial pro-jects Railway maintenance works \$28,930,000 \$26,274,875 14,159,000 2,750,000 10,700,526 Pros-Dominion projects: Department of Public Works. the Department of National Defence ... National Harbors Board and Department of Marine. ggre-e in Department of Interior Department of Raficulture Department of Rafikays and Canals Miscellaneous and sundry departments Special drought area relief 10,314,000 4,322,000 5,375,000 1,879,000 1,049,000

DIC.	will be a number of those in the	strain. Nevertheless, in most coun- tries, as in Canada, the signs point to continued progress if only peace can be preserved and political fric- tion reduced.	National Balan	ce Sheet	sei de on ap bu
u	"Even in the best of times we have always had unemployment, but the unemployed have not been 'in the statistics' nor a charge upon	"Looking back on 1936, however, one cannot pretend that political progress has kept pace with econo- mic improvement. War and the fear	The following is a statement of the assets an inion, estimated as at March 31, 1937, presente of the Minister of Finance:		
e-	public funds to the same extent as today. The depression will leave	of war appear to loom larger in men's eyes than at any time in re-	LIABILITIES MARCH 31, 1937 (E Bank circulation redemption fund		wi
•	us with a new problem which will demand new methods of treatment from the appropriate authorities. "I am convinced, however, that in the policies now being followed	cent years. "Rival ideologies clash in the press and the Chancellories of Europe; doubt appears to have been	Insurance and superannuation funds: Government annuities	87,092,000 10,800,000 15,770,000 8,782,000	th pr no th
ES	and in the economic forces now working with increasing momen- tum, the present and major prob- lem will rapidly be reduced to	cast for the moment at least upon the value of co-operative undertak- ings and the sanctity of interna- tional commitments; and an increas- ing proportion of national income	Superannuation funds	53,651,000 13,890,000 2,676,000 1,250,000	ho re
al-	manageable proportions. "The real solution must come, and is coming through the expansion of private enterprise, based on con- ditions favorable to the more ex-	goes into expenditure for arma- ments. "Regret it as we must, realism compels us to face the facts square-	Contingent and special funds Post Office money orders, postal notes, etc., out- standing	23,411,000 	se
	tensive development of our primary and other industries." Mr. Dunning then sounded a warning against stock market spec-	ly and take these potential dangers into our reckoning when we look to the future. Perhaps the best hope for peace lies in the fact that the dangers are so clearly realized.	Province accounts . Post Office Savings Bank deposits . Funded debt: Unmatured, less sinking funds . Matured, but not presented for payment	6,565,000	ma to op
I ity	ulation and noted a revival of con- ditions which had led to disaster in pre-depression years.	Where all can see the danger it may not be too much to hope that sufficient wisdom will be found	Interest coupons matured but not presented for payment	3,282,139,000 1,750,000	Iun
no	MONEY DEVALUATION CITED.	among the nations to avert catas-	and the second	\$3,530,993,000	1

ASSETS MARCH 31 1937 (Estimated)

ASSETS MARCH 31, 1937 (Est	Amurcu)	
Active assets:		
Cash, working capital advances and other current		\$
assets Bank of Canada, Class "B" shares Gold bullion account Loans to provinces:		Ŷ
Gold bullion account		
Housing Relief acts	\$ 4,730,000	
Relief acts	108,654,000	
Loans to foreign governments:	0 505 000	
Greece Rumania	6,525,000 23,969,000	
Loans to National Harbors Board:		
Montreal	59,446,000	
Vancouver	23,755,000	
New Westminster Harbor Commissioners		
Loans under Dominion Housing Act Bond holding account Railway accounts: Advances under Financing		
Railway accounts: Advances under Financing		
Acts: Canadian National Railways	41,399,000	
Canadian National Railways Advances under Vote 427, Canadian Pacific Railway Loans for betterment or repair of railway	555,000	
Canadian National Railways	789,000 1,270,000	
Purchase of equipment leased to:	0 7 10 000	
Canadian National Railways Canadian Pacific Railway Purchase of equipment leased to: Canadian National Railways Canadian Pacific Railway	6,748,000 5,662,000	
	Contraction of the second	
Canadian Farm Loan Board Soldier and general land settlement		
Seed grain and relief advances Canadian Government Railways open and stores		
i accounts		
Deferred debits: Unamortized discount and commission on loans		
		s
		\$
Net debt, March 31, 1937 (estimated)		-
Represented by		-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures;	•	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures; Dublia Works:	s 242 727 000	\$
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures; Dublia Works:	\$ 242.727,000 443,124,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures; Dublia Works:	\$ 242.727.000 443,124,000 267.963.000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores	\$ 242,727,000 443,124,000 267,963,000 12,035,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures; Dublia Works:	\$ 242,727,000 443,124,000 267,963,000 12,035,000 9,896,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active:	\$ 242.727.000 443,124,000 267.963,000 12,035,000 9,896,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways	\$ 242,727,000 443,124,000 267,963,000 12,035,000 9,896,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts)	\$ 242,727,000 443,124,000 267,963,000 12,035,000 9,896,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures; Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts)	2,000,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebee Chicontimi	\$ 26,293,000 3 796 000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebee Chicontimi	\$ 26,293,000 3 796 000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebee Chicontimi	\$ 26,293,000 3 796 000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifax Saint John Three Rivers Montreal (Jacques Cartier Bridge)	\$ 26,293,000 3 796 000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifax Saint John Three Rivers Montreal (Jacques Cartier Bridge)	\$ 26,293,000 3 796 000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river improvements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifar Saint John Three Rivers Montreal (Jacques Cartier Bridge) Seed Grain and relief advances Soldier and general land settlement	\$ 26,293,000 3,796,000 9,503,000 15,467,000 3,447,000 2,947,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river improvements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifar Saint John Three Rivers Montreal (Jacques Cartier Bridge) Seed Grain and relief advances Soldier and general land settlement	\$ 26,293,000 3,796,000 9,503,000 15,467,000 3,447,000 2,947,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river improvements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifar Saint John Three Rivers Montreal (Jacques Cartier Bridge) Seed Grain and relief advances Soldier and general land settlement	\$ 26,293,000 3,796,000 9,503,000 15,467,000 3,447,000 2,947,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river im- provements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifax Saint John Three Rivers Montreal (Jacques Cartier Bridge) Seed Grain and relief advances Soldier and general land settlement Miscellaneous advances Consolidated fund: Balauce, consolidated fund, brought forward from March 31, 1936 Excess of expenditure over revenue, fiscal ven	\$ 26.293,000 3,796,000 9,503,000 15,467,000 3,447,000 2,947,000 1,194,183,000	-
Represented by: Non-active assets, March 31, 1937 (estimated) Capital expenditures: Public Works: Canals Railways Public buildings, harbour and river improvements Military property and stores Territorial accounts Loans non-active: Canadian National Railways Railway accounts (old) Canadian National Steamships Loans to Provinces (Relief Acts) National Harbours Board: Quebec Chicoutimi Halifar Saint John Three Rivers Montreal (Jacques Cartier Bridge) Seed Grain and relief advances Soldier and general land settlement	\$ 26.293,000 3,796,000 9,503,000 15,467,000 3,447,000 2,947,000 1,194,183,000	-

Becking by why or O'ordinary standards are specific to the second use of the British preferential spectrum of the specific to the second of the British preferential spectrum of the specific to the second of the British preferential spectrum of the specific to the second of the British preferential spectrum of the specific to the specific to the second of the British preferential spectrum of the specific to the spe

<text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text>

reserves for the accommodation of borrowers and were prepared to

Cheques drawn on bank accounts showed an increase in De-cember, 1936, of 16 per cent. over December, 1935. This indicated the velocity of circulation of cheque-book money was speeding up. Prosperity depended as much on the velocity of circulation as on the

volume of money in circulation. The national income, the aggre-gate income of all the people in 1936, was \$4,520,000,000, an increase of 10 per cent. over the previous year. Business cycles, however, did not follow any set pattern and it would be unwise to sit back and assume the present general upward movement would continue on all

economic fronts. "We must not lose sight of the fact that in certain fields improve-ment has lagged, and that to a large number of our people the recovery of business has not yet brought the expected relief.

WARNS AGAINST SPECULATION.

"In other directions there is more than a suggestion of a mentality that led to the deplorable excesses of the late 20's. Greed and unreason-ableness in industrial relations are dangers that can paralyze our best

efforts. "There are forces unleashed in the recovery period that must be grap-pled with no less vigorously than those facing us in times of depres-sion. These realities must not be neglected. Furthermore, disturbing factors in international relations still perpetuate much uncertainty still perpetuate much uncertainty in the world outlook." A conspicuous industrial lag had been evident in private construction and it was in the building trades that a large portion of unemploy-ment was to be found. To meet this the Government had launched

The Home Improvement Plan. It behooved all interests associ-ated with the building industry to study facilities offered by the plan to provide a sound product at a reasonable price and push its sale. Public works construction could not Public works construction could not continue at the present scale with-out leaving an intolerable burden for the future and it was up to private construction to step into the picture at this stage of the recovery

movement. Employment figures generally were up but they had not kept pace with gains in business activity. An-other discouraging fact was the with gains in business activity. An-other discouraging fact was that numbers of thrse on relief had fail-ed to decline proportionately with recovery in trade and industry. There was no reason, however, to look on the unemployment prob-lem as hopeless. "It is probably true that a hard core of unemployment and relief" Public Works

dicated the		rovincial pro-	\$20,211,010	<i>\$20,000,000</i>	charged to Consolidated Fund:				funded during the depression. That
of cheque-	jects			14,159,000	Canadian National Railways National Harbors Board	43,303,000 250,000	8.02 .05	9.58	is the goal which we must steadily
g up. Pros-	Railway maintenance works Dominion projects:			2,750,000	Loans and advances non-active: National		.03	.06	keep in sight.
ch on the	Department of Public Works		17,895,218	10,314,000	Harbors Board and Canadian Na-			and the states	Last year the size of the gap
as on the	Department of National Defence		10,201,468	4,322,000	tional Steamships	919,000	.17	.20	between total income and total out-
ulation. the aggre-	National Harbors Board and Departmen Department of Interior	ut of Marine.	5,437,008 2,294,291	5,375,000 1,879,000	Total, Govtowned enterprises	\$ 44,472,000	8.24	9.84	go made it essential to impose a substantial increase in taxation
people in	Department of Agriculture		238,500	1,049,000	Other charges:				levies. The public accepted the
an increase	Department of Railways and Canals Miscellaneous and sundry departments		942,689	539,000	Write-down of assets to Consolidated Fund		.10	.12	imposition of these new burdens,
e previous			1,431,681 4,000,000	1 ,571,000 9 ,741.000	Write-down of active assets to non-		.10	.14	not gladly, it was true, but never-
however,					active assets	18,765,000	3.48	4.15	theless with a sure sense that it
battern and	Totals	•••••	\$79,416,256	\$80,429,000	Total other charges	\$ 19.310.000	3.58	4.27	was the right thing to do, that a
t back and ral upward	Government - owned enterprises, •	\$ <u> </u>	1						serious problem existed and that it had to be faced squarely, though
nue on all	including the Canadian National	and \$17,960,0	00 fcr Sask	atchewan.	Grand total expenditures	\$539,518,000	100.00	119.33	sacrifices might be involved.
	Railways, cost the treasury \$44,472,-			presence of	"Taking the total revenues for	At the close o	of the fisca	l year the	Fortunately, the increase in the
ght of the	000 compared with \$50,940,000 the previous year.	this abnorm itures, the g	rand total f	for the year	the year at \$452,123,000 and the	average interes	st rate on t	the funded	total income of the people has re-
s improve- t to a large		would be le	ss than for t	the previous	total expenditures at \$539.518.000	debt and Tre	asurv hills	Was 375	duced the weight of the burden. In
				it stands at	there will be an over-all deficit for the fiscal year of \$87,395,000.	cent a year as	ipared wit	h 3.9 per	view of the progress that has al- ready been made and the outlook
prought the	was the normal write-off for soldier	\$539,518,000,	A CONTRACTOR OF A CONTRACTOR OFTA CONTRACTOR O		"This, of course, takes into ac-	Loans were	floated in	hoth Can-	for the immediate future, I am in-
	and land settlement loans and seed		and the second se		count the railway deficit as well as l	ada and the II	nited State	s on satis-	deed happy to inform the House
ULATION.	grain and relief accounts totalling			s introduced	other expenditures for which the	factory terms	The cor	ming voor	that it is not my intention to re-
ere is more	\$545,000.			attempt to	Government is responsible. It com-	would see the	refunding	of the last	commend any increases in taxation
ntality that	The big write-off, however, was		the second s		pares with a total deficit last year of \$159,989,000.	ing the war. T	e bonds no	bated dur-	for the coming year.
excesses of	due to the debt adjustment proposed			of various		stantial annua			the present basis. Furthermore, no
unreason-	for the drought areas of Saskatch-	government			BETTER THAN ESTIMATE.	charges and in			alterations are to be made in rates
lations are	ewan and Manitoba. This involved writing off Treasury Bills held by	tive importa			"It is better than the figure of				of taxes either under the Special
ze our best	the Dominion as security for ad-			showing the	\$100,000,000 deficit which I set as our	NATIONAL	BALANCE	SHEET.	War Revenue Act or under the Ex-1
shed in the	vances to the provinces. It would not exceed \$805,000 for Manitoba	percentage of	distribution	of revenues	goal in the budget last year. If we make allowance for the abnormal	"As at Marc			cise Act. The only changes pro-
st be grap-			itures for	the current		standing unm			posed are a few minor additions to the schedule of exemptions under
ously than	·	year:		a fille in the Ser		and Treasury k	oills of the		the sales tax. Articles specially
of depres-	REVE	NUES			and also for the special receipt of	less sinking fu	inds, will	amount to	designed for use of the blind are
ust not be		Amount		Percentage		\$3,275,574,000.			to be given exemption.
disturbing relations	Ordinary revenue:	Amount (estimated)	of total revenues	of total ex- penditures	is indeed very much better. "But while we have suceeded in	"Adding to S	his amoun	t \$255,419,-	Art work and printing plates
uncertainty	Income tax	\$102,000,000	22.56	18.91	cutting last year's deficit nearly in	000 of other	liabilities,	consisting	made therefrom for non-advertising purposes in periodical publications
	Customs duties	81,500,000	18.03	15.11	half and while we are able to show	chiefly of any superannuation	funds n	ost office	will also be exempted. Other items
al lag had	Excise duties	115,500,000	$10.06 \\ 25.55$	$\begin{array}{r} 8.43\\ 21.41\end{array}$	a substantially smaller deficit than	savings deposi			to be added to the list of exemp-
onstruction	Manufacturers', importation, stamp taxes,				in any year since 1930-31, when the deficit was approximately the same	and contingent			tions are raw and salted hides.
unemploy-	etc. Other tax revenues	38,100,000 2,018,000	8.42 .45	7.06	as this year, I think it will be real-	at gross liabili "Active asset			certain refractory materials, spinal
To meet					ized by all members of the House	hand and inve			braces and parts thereof, ingredients used in canning fish, and parts for
l launched	Total revenue from taxes Non-tax revenues	\$384,618,000	85.07	71.29	that the gap between our total in-	\$437,498,000.	After dedu	icting the	grain and seed cleaning machines.
Plan.	Hon-tax revenues	58,770,000	13.00	10.89	come and our total outgo is still very broad and that it must be	latter figure fi	rom he gr	coss liabil-	EXPORTS INCREASE 23 P.C.
ests associ- industry to	Total ordinary revenues	\$443,388,000	98.07	82.18	bridged at the earliest possible	ities, we reach of \$3,093,495,00			
	Special receipts and credits	8,125,000	1.80	1.50		the fiscal year.	The inc	rease over	I now turn to matters relating to trade and tariffs. In the calendar
y the plan oduct at a	Refunds of capital expenditures and				Loans and investments during the	the fiscal year. last year of \$87	,395,000 rep	resents, of	year 1936 Canada's export trade
sh its sale.	receipts on non-active accounts	610,000	.13	.19		ccurse, the am	ount of th	ne over-all	passed the \$1,000,000,000 mark, the
could not scale with-	Grand total revenues	\$452,123,000	100.00	83.80	903,000 the previous year. They in-	deficit." Proceeding	with his	review of	highest level since 1929. Indeed,
ole burden	EXPEND	TUPES			cluded \$4.614.000 to the Canadian	the financial si			taking account of the lower level
was up to	EAFEND	TOWES		P.C.	National Railways, \$555,000 to the Canadian Pacific Railway, \$11,894,-	said:	and the second		of prices, the physical volume of our exports was about equal to the
ep into the		Amount	P.C. of tota	1 to total	000 to the Canadian Farm Loan	BALANCED	BUDGET N	VEEDED.	1929 level. The value of our ex-
e recovery	Total public debt charges	(estimated) \$141,502,000	expenditure 26.23		Board, \$10,892,000 to the provinces				ports, including commercial gold.
generally	Subsidies and special grants to prov-	φ1,±1,502,000	20.20	31.30	under relief legislation, \$5,166,000	I have alrest over-all defici			reached a total of \$1,027,901,000, a
kept pace	inces	16,994,000	3.15	3.76	for railway equipment and \$5,100,- 000 for purchase of shares in the	fiscal year is			gain of \$189,559,000, or 23 per cent. over 1935.
tivity. An-	Old age pensions . Civil servants' pensions and superannu-	22,500,000	4.17	4.98	Bank of Canada	000. While it i	is the small	lest deficit	This increase is all the more
was that	ation charges	2,022,000	.52	.62	New obligations, loans and Trea-	since 1930-31, 1	nevertheles	s its mag-	significant in view of the fact that
ately with	Pensions and after-care of soldiers Agriculture	55,133,000 8,929,000	$\begin{array}{c} 10.22\\ 1.66\end{array}$	12.19 1.97	sury bills totalling \$382,996,000 were	nitude is such	as to in	dicate the	agricultural and vegetable products.
industry	Fisheries	1 750 000	.32	.39	floated during the year. Of this	restore a balan	unceasing	n total in-	which accounted for 47 per cent. of
owever, to	Legislation	2,626,000	.49	.39 .58	total \$311,000,000 was to meet matur- ing obligations and the rest for the	come and total	outgo at t	he earliest	only 34 per cent of the total in
nent prob-	Legislation Mines and Resources National Defence (including Civil Avia-	12,701,000	2.35	A STATE OF A	deticit and other current expenses	possible mome	nt.		1036
at a hard	tion) Post Office	23,497,000	4.36	5.20 7.17	In all cases where new loans were floated, lower interest rates were	In the bud	lget of las	st year I	Imports for the year amounted to
and relief	Public Works	32,417,000 14,643,000	6.00 2.71	7.17 3.24	noated, lower interest rates were	discussed in	some d	etail the l	\$635,191,000, which exceeded the
tissed of a part	the particular and and an and the second s		· · · ·	0.41	para man on me toans retuilded.	uangers mvolv	ea m me	continuing	1935 total by \$84,876,000, an increase
			(and the second		The second s				
	and the second								
	Te +	at a start			and and a second se	the second second			

Note: The above Balance Sheet does not take into account any loans that may be made to provinces between February 15, 1937, and the close of the fiscal year. It does, however, take into account the proposed write-off of certain Treasury Bills of the provinces of Manitoba and Saskatchewan.

72.63

P.C. of total

expenditures

.64

 $5.36 \\ 3.18$

8.54 1.81

4.56

14.91

 $2.95 \\ 9.51$

86.67

P.C. to total

.76

6.40 3.79

10.19 2.15

5.45

17.79

 $13,329,000 \\ 43,017,000$

Amount (estimated)

\$ 3,447,000

28,930,000 17,134,000

\$ 46,064,000 9,741,000

24,624,000

\$ 80.429.000

EXPENDITURES

Total ordinary expenditures \$391,860,000

Capital expenditures Special expenditures: Unemployment Relief and Assistance Act 1936; Grants-in-aid to provinces All other assistance

Total Drought area relief Dominion projects (special supplement-ary estimates)

Total special expenditures Govt.-owned enterprises: Losses charged to Consolidated Fund: Canadian National Railways National Harbors Board Loans and advances non-active: National Harbors Board and Canadian Na-tional Steamships

Total special expenditures

on January 1, 1936. TRADE WITH U.S. UP 15 P.C. Tradic and in economic recovery. TRADE WITH U.S. UP 15 P.C. During the year our total trade were all deficit for the coming year should not exceed \$35,000,000. Stating my expectations in another way, I will be greatly disappointed f we cannot keep our total deficit with united States, including com-mercial gold, amounted to \$787,-000,000 as compared with \$683,000,-the we cannot keep our total deficit within the limit represented by the net cash deficit of the Canadian Vational Railways System. If we can attain this objective New Signal Canadian economic recovery. The assurance in Article I of the mercial gold, amounted to \$787,-000,000 as compared with \$683,000,-U.K. INTERESTS OPPOSED

National Railways System. If we can attain this objective in 1937-38. I am confident that it should not be beyond our powers to wipe out the deficit altogether during the following year and begin the period when progress can be made in liquidation to a be made in liquidating the ac-cumulated deficits which have been funded during the depression. That s the goal which we must steadily

keep in sight. Last year the size of the gap

theless with a sure sense that it was the right thing to do, that a serious problem existed and that it had to be faced squarely, though sacrifices might be involved. Fortunately, the increase in the total income of the people has re-duced the weight of the burden. In

which was due to increased tax rates. HOPES TO CUT DEFICIT. If this estimate of total revenue s realized and if aggregate ex-enditures are kept within the stimated figure of \$520,000,000, har should not exceed \$35,000,000 bar should not exceed

find that the trade increase in 1500 was just over 22 per cent. Calcu-lated on this same basis, exports to the United States were greater by 26 per cent, while imports from the United States were higher by 18 per cent. It will be noted that these

keep in sight. Last year the size of the gap between total income and total out-go made it essential to impose a substantial increase in taxation levies. The public accepted the imposition of these new burdens, not gladly, it was true, but never-theless with a sure sense that it

ish Government, the Canadian Min-isters had held as their objective not the capture but the retention "of the most valuable market this Dominion has ever known." He Dominion has ever known." He paid tribute to his predeces-sors for the work they had accom-plished in the past, and proceeded

the new agreement.) The present agreement is in no sense a simple renewal of the trade agreement betwen Canada and the United Kingdom signed at Ottawa in 1932. The detailed differences between it and the one which it will supersede will be developed in comunities. He drew attention to the fact the differences monwealth country. In most cases trade agreements made by the United Kingdom in recent with a Com-monwealth country. In most cases trade agreements made by the United trade agreements made by the United trade agreements made by the United Kingdom in recent with a com-monwealth country. In most cases trade agreements made by the United Kingdom trade agreements made by the United Kingdom trade agreements made by the United Kingdom

committee. From the beginning, however, it should be clearly understood that throughout the negotiations which esulted in the present agreement, he Canadian Government has inthe Canadian Government has in-titles of international trade, without impairing the practical effective-ness of the British preferential sys-tem, and has endeavored to appiy within that system the principles of commercial policy which it hopes to see realized in the economic re-lations of Canada with the rest of the world.

the world. The measure in which these ob-Within the framework of the

to round out their present protecpercentage increases are appre-ciably above the corresponding in-creases in our trade with all coun-

rade agreement.) (Mr. Dunning, turning specifically to the new trade agrement, said Canada's most prized market was the United Kingdom. In instituting negotiations last year with the Brit-ich Couvernment the Condian Min-ment. ment.

(Mr. Dunning noted particularly the reduction in United Kingdom duties on natural silk stockings; also the assurance that neither the duty nor the content requirement sors for the work they had accom-plished in the past, and proceeded to review the principles underlying the new agreement.) The present of the Canadian Govern-ment.

(The agreement continued free entry of Canadian bacon into the United Kingdom up to 280,000,000

diate."
Loans and investments during the fascal year. The increase over a regarded as active assets total alled 356,795,000 compared with \$59,903,000 the previous year. They instanced as active assets total edge of the over-all default and the default and the over-all default and the over-all default and the default and

THE GAZETTE. MONTREAL, FRIDAY, FEBRUARY 26, 1937.

<text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text> Tariff, Taxation and Trade Pact Data

chapter seventeen of the Acts of 1922, chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, chapter forty-one of the Acts of 1932, chapters six and thirty-seven of the Acts of 1932-33, chapters thirty-two and forty-nine of the Acts of 1934, chapter twenty-eight of the Acts of 1935, and chapter thirty-one of the Acts of 1932, chapters thirty-two and forty-nine of the Acts of 1934, chapter twenty-eight of the Acts of 1935, and chapter thirty-one of the Acts of 1936, be further amended by striking thereout tariff items 8, 105a, 105b, 120, 160 (a), 190, 191, 200a, 219a, 219c, 219e, 232d, 235, 235a, 237, 238, 241, 242, 246b, 254, 287, 320, 321, 328a, 348a, 409e (ii), 410d, 431b, 445j, 446d, 447b, 449, 451d, 473a, 476, 511, 529a, 530, 532, 534, 556b, 577, 588a, 604, 607a, 612, 616, 618a, 624, 690a, 693, 709, 742, 754, 755, 806, the several enumerations of goods respectively and the several rates of duties of Customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:---8--Canned meats, poultry or tures of regregerent callulates are of

8—Canned meats, poultry or game, 15 per cent., 30 per cent., 35 per cent.; (15 per cent., 30 per cent., 35 per cent.; (15 per cent., 30 per cent., 35 per cent.). 105a—Lemon, orange, grapefruit and citron rinds, sulphured or in prine, Free, free, free, free, ree; 15 per cent., 25 per cent., 25 per cent.). 105b—Olives and cherries, sul-phured or in brine, not bottled, 10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 30 per cent.; (10 per cent., 17½ per cent., 20 per cent.).

bille, Free, fr

and not over twelve ounces per box, 2 cents, 3 cents, 3¹/₂ (2 cents, 3 cents, 3¹/₂ cents). When weighing eight ounces each or less, per box, 1¹/₄ cents, 2

Alcoholic perfumes and per-Alcoholic perfumes and per-t spirits, bay rum, cologne and der waters, lotions, hair, tooth kin washes, and other toilet not le d skin washes, and other toilet not less than 20 cents per pound, for eparations containing spirits of use exclusively as colouring con-

nd: When in bottles or flasks ing not more than four each, 30 per cent. 90 per 0 per cent. (60 per cent., 90 90 per cent.).

were proneers in seeking it (the 447b—Forged steel rolls, hardened and ground, for use exclusively in rolling terrous or non-ferrous metals, Free, free, free, free, free; 10 per cent., 27½ per cent., 35 per cent.).

plates, in their own factories, Free, free, free; (Free, free, free; 15 per cent., 25 per cent., 25 per cent.). each or less, per box, 1¼ cents, 2 eral; antimony oxide, titanium ox-cents, 2½ cents; (1¼ cents, 2 cents, ide, and zinc oxide such as zinc nts). —Isopropyl alcohol, per gal-ree, 50 cents, \$1.00; (Free, 25 nt. 25 per cent.). Alcoholic perfumes and per-

cent.; (Free, 15 per cent., 15 per 246b—Stains and oxides, valued at

stituents in the manufacture of vit reous enamels and pottery glazes finely divided metals or compound or dissolved in a liquid, for use exclusively in the manufacture of tableware of china, porcelain or semi-porcelain, Free, 20 per cent.

r cent., 90 per cent.). 187b—Sensitized negative film, tableware of china, porcelain or over, for exposure in motion ture cameras, Free, 10 per cent., per cent.; (15 per cent., 25 per chinicals, such as are used for infecting, dipping, spraying or infecting, dipping, spraying or infecting, three pounds each, gross ight, 5 per cent., 25 per cent., ight, 5 per cent., 25 per cent., per cent.; (5 per cent., 25 per cent., 26 per cent., 27 per cent., 17½ per cent., 15 per cent.; 15 per cent., 25 per cent., 25 per cent., 25 per cent., 15 per cent., 25 per cent., 15 per cent., 25 per cent., 25 per cent., 25 per cent., 25 per cent.; 15 per cent., 25 per cent., 25 per cent.; 15 per cent., 25 per cent., 25 per cent.; 15 per cent., 25 per cent., 25 per cent., 25 per cent.; 15 per cent., 25 per cent., 25 per cent.; 25 per c

free; 10 per cent., 27½ per cent., 35 per cent.). 449—Steel wool, including steel wool impregnated with soap or in retail packages containing a cake of soap, Free, 15 per cent., 20 per cent.; (Free, 7½ per cent., 10 per cent.; 15 per cent., 27½

cent; 15 per cent., 25 per cent., 271/2
per cent.).
4516 – Papier mache shoe buttons, shoe conlets, corset eyelets and corset rivets, shoe eyelet hooks, shoe lace wire fasteners, Free, free, free; 20 per cent., 271/2
per cent., 30 per cent.).
4626 — Cinematograph and motion picture produces in their own factories, having studios in Canada equipped for motion picture production, free, 10 per cent. 15 per cent., 15 per cent., 25 per cent., 30 per cent.).
4626 — Cinematograph and motion picture produces in their own factories, recent; (15 per cent., 25 per cent., 30 per cent.).
4636 — Cinematograph and motion picture production, free, 10 per cent. 15 per cent., 25 per cent., 26 per cent., 27 per cent., 27 per cent., 26 per cent., 27 per cent., 27 per cent., 27 per cent., 27 per cent., 26 per cent., 27 per cent., 27 per cent., 27 per cent., 26 per cent., 27 per cent., 27 per cent., 26 per cent., 26 per cent., 27 per cent., 27 per cent., 27 per cent., 27 per cent., 26 per cent., 27 per cent., 27 per cent., 26 per cent., 26 per cent., 27 per cent., 27 per cent., 27 per cent., 27 per cent., 26 per cent., 26 per cent., 27 per cent., 26 per cent., 27 per cent., 26 per cent.,

a) The performed performed performance in the pages of which are regularly bound, wire-stitched or otherwise terra cotta or composition; fans of the pages of which are regularly bound, wire-stitched or otherwise terra cotta or composition; fans of the fastened together, and matrices, all kinds; statues and statuettes of per material bases and copper shells therefor, but not to include printing 27½ per cent., 30 per cent.).
a) plates and other articles covered by tariff item 475. Free, free, 25 per cent.; (Free, 7½ per cent., 25 per cent., 27½ per cent., 30 per cent., 25 per cent., 27½ per cent.; 15 per cent., 27½ per cent.; 25 per cent., 260a—Casual donations sent by we persons abroad to friends in Canba ada, or brought into Canada performed, and not being advertising matter, tobacco or alcoholic beverner material and performed addition to the perfo

per cent.). (ii)—Dental instruments of any material; surgical needles; X-ray apparatus; microscopes valued at not less than 50 dollars each, retail;

bats; balls of all kinds for use in sports, games or athletics, n.o.p., 20 per cent., 30 per cent., 35 per cent.; (ii)—Violins, violas and violon-(20 per cent., 30 per cent., 35 per

cent.). 529a—Lace and embroideries, wholly of cotton, not colored, when imported for use exclusively by manufacturers in the manufacture of clothing, in their own factories, 7½ per cent., 12½ per cent., 20 per cent. 30 per cent., 27½ per cent., 20 per cent. 30 per cent.). (iii)—Antiquities (other than cents, and manufacture in the manufacture cent., 30 per cent., 27½ per cent., 20 per cent., 20 per cent., 20 per

: (Dutiable under various of clothing, in their own factories, 7½ per cent., 17½ per cent., 30 per use, etc.). 30' per use, etc.). ar cent., Provided that, notwithstanding

Provided that the goods are re-

turned to the exporter thereof with-in five years from the time of ex-

20 per cent., 32½ per cent., 35 per ntaining cent.; (22½ per cent., 32½ per cent.,

te than five per cent. by 35 per cent. of fat, when imported by 199—Papeteries, envelopes, and all e manufacture of theobrominc caffeine, in their own factories, free, free; (15 per cent., 25 35 per cent

The second process of construction of the second process of the second proces of the second process of the second proces of the second proces

partly lithographed or printed, for use in the manufacture of such playing cards, per pack or equiva-lent, 5 cents, 7 cents, 8 cents; (5 Provided, that in no case shall the duty under the Britich Prefer.

cent.). 326 (1)—Demijohns or carboys, bottles, flasks, phials, jars and balls, or glass, not cut, n.o.p.; lamp chimneys of glass, n.o.p.; decanters facture or other means, or combined with any other article abroad; Provided also that any goods described in this item, upon which an allowance of drawback has been made, shall not be admitted to entry thereunder except upon pay-ment of duties equal to the draw-back allowed; Provided further that any of such goods manufactured in bond or under Excise regulations in Canada and exported shall not be admitted to entry except upon payment of the Customs or Excise duties to

pers, boxed papers, pads not nted, papier-mache ware, n.o.p. -Collapsible tubes of lead or lead coated with tin, 10 per

VOL. CLXVI. No. 49

coated. made from wire of

iron or n.o.p., and complete parts thereof, 5 per cent., 30 per cent., 35 per per cent., 30 per cent.,

der the British Preferfacture or other means, or combined ential Tariff be in excess of, 15 per

VOL. CLXVI. No. 49

THE GAZETTE, MONTREAL, FRIDAY, FEBRUARY 26, 1937.

in recent years . . . best hope for peace

Tariff, Taxation and Trade Pact Data

Tariff Resolutions

res, indicators and recorders for ro other liquid levels, volume ow of a class or kind not made 2nada, Free, 20 per cent., 35 523 —Woven fabrics, wholly of

per cent., 271/2 per cent., 30 per

t; 20 per cent., 22½ per cent., 27½ 2 per cent.; 22½ per cent., 27½ r cent., 32½ per cent.); and, per und, ..., 3½ cents, 4 cents; (and, r cent instance, ..., 3½ cents, 4 including iron or steel, coated with uding cans for shipping

vitreous enamel, cent., ..., ...). 532a—Handkerchiefs, cotton, 15 per cent., 30 per cent., 35 per cent.; (25 per cent., 30 per per cent., 32½ per cent.,

ufactures of tinplate, cent., 35 per cent.); and, per pound, cent., 35 per cent.); and, per pound,, 1½ cents, 4 cents; (...., 1½ japanned, decorated or not, ufactures of tin, n.o.p., 15 $_{-1}$, 27½ per cent., 30 per 532b—Woven per cent., 271/2 per cent., cotton, for covering books, 15 per cent., 30 per cent., 35 per cent.; 25 per cent., 30 per cent., 35 per cent.);

per cent., 30 per cent.

n.o.p., not to include remnants nor mill ends, Free, 7½ per cent., 10 per cent.; (5 per cent., 7½ per cent.; 10 per cent.). 558c (i)—Rovings, yarns and warps, wholly or in part of silk, n.o.p., including threads, cords or the the monoidering approved of a silk, n.o.p., including threads, cords or the the monoidering of the silk, n.o.p., including threads, cords or the the monoidering of the silk, the silk of the silk, the silk of the s

(27½ per cent., 40 per cent., cent.); and, per lineal yard,

Monetary policy should not be

cents). 524a—Fabrics with cut weft pile, wholly of cotton or of cotton and artificial silk, 5 per cent., ..., :30 per (15 per cent., ..., ...; 30 per cent., ..., ...). will always remain.

The revenue-raising powers as-

for governmental social services. There are forces unleashed in the

663f-Iodised mineral

and mitts of all per cent. 25 per (4) Resolved, That Schedule B to the Customs Tariff be amended (25 per cent., 25

matting or carpets, 15 per gether-

\$1.35, \$1.50).

nents of all

Ottawa, February 25.—(P)—Ex- recovery period that must be grap-**Cotton Clothing, Plate Glass** erpts from today's budget speech by Finance Minister Dunning: War and the fear of war appear pled with no less vigorously that those facing us in times of depre and Printing Plates Are

> Public works construction cann continued indefinitely le of recent years witho

BRITISH CUT EXTENDED

novement, what hope can there h hat governments will be in a pos Drop in Preference Rate Is ion to use public works re Accompanied, in Several

ments as a reserve against future depression? Recent price movements have of reducing the farmer's handicap

Our banking system currently finds itself with ample reserves for Ottawa, February 25.-(P)-Although the new trade agreement he accommodation of commercial with the United Kingdom was asso-

ciated with most of the tariff The velocity of circulation of changes announced when Finance ue-book money is speeding up the rising tempo of business get down in the House of Commons

today, there were, nevertheless several other reductions in duty 30 per cent.; (15 per cent., 25 per with substantial bearing on foreign

Among the more important of in cotton clothing, plate

orged steel rolls and seamless of

verings containin. try will be particularly affected by removal of the specific duty of 1½ cents a pound under the intermedi the goods the other articles made wholly of cot-

> under the British preference, 30 per nder the intermediate tariff per cent. under the general

> a large quantity is imported foreign countries and under

cent. It continues free under th British preference and has a dut

Among Favored Items

Instances, by Lowering

of Regular Duty

Excise Act Resolution

steel tubing of a class or kind not made in Canada are made free under all tariffs. Some of the items formerly were 15 per cent under British preference, 27½ per cent in the intermediate and 30 per cent in the general tariff. Forged steel rolls, important to the metal industries for rolling steel, are to be free under all tariffs. In some classes the duty was formerly as high as British prefer-ence 10 per cent, intermediate 27½ per cent and general 35 per cent. Decorative marble of certain kinds had a duty of 30 per cent intermediate and 40 per cent. gen-eral. It will now be free under the British preference, and tho preference and the intermediate and the intermediate and the preference and the initis traitions of all kinds, whether originals, copies or proofs, and preference, 35 per cent, general consenduced that any preference, 35 per cent, general consenduced traiting news pictures or for illustrating non-advertising news pictures or for illustrating non-advertising news pictures or for illustrating non-advertising the pages of the rest will be whether and the rest state data is used as ingrediente.
"Materials used as ingrediente, a change directly affective rate of the sentent founded fibrition or other whether site is the general tariff. The sentent is in the there are index rest state day and the sentent is in the there into the general tariff. The sentent is in the there is the sentent is in the there is the sentent is in the there is the sentence is th

ed a net income cash deficit or \$43,300,000, which amount has been paid by the Dominion and charged to expenditure in the current fis-cal year. This cash deficit com-pares with \$47,400,000 for 1935, the improvement height of the to \$8,000.000 REFUND provement being entirely due to duction in interest charges re-

from refunding of securi ulting from refunding of securi-ies at lower rates of interest. It should be borne in mind that here are certain non-cash charges n the railway accounts which hould be taken into account in re-ionciling the above-mentioned igure of cash deficit with the net oss for the year as shown by the nunual report of the railway com-nany." Dunning Reports Wheat Board Will Repay Sum on

The Government this

an the company \$9,916,00 for mis-llaneous debt retirements and quipment purchased under the becial supplementary estimates. he company paid back \$395,000 of the amount loaned it last year.

ANTIQUES ON FREE LIST

Canadians May Now Import a Stradivarius Without Tax

Ottawa, February 25.-(P)-Any

y to those who collect such ques as Napoleon brandy. Cen-

OPTIMISTIC NOTE

(Continued from Page 17.)

are proposed also on cigarettes, as films, electrical insulation ard, wallpapers, wrapping all kinds, and "all manufa paper N.O.P." (not othe

PAINT PRODUCTS AFFECTED.

\$25,759,748; British Columbia, \$30,-345,080. Loans by years to the four prov-inces: 1931-32, \$22,634,017; 1932-33, \$15,565,137; 1933-34, \$13,115,027; 1934-35, \$22,908,835; 1935-36, \$42,304,149; 1936-37 (to February 15) \$10,892,235. Of the \$127,419,400 outstanding, \$24,841,305 was loaned specifically to meet maturing obligations and interest, \$17,288,781 for agricultural relief, including seed grain, and \$85,289,314 for provincial purposes generally, including public works and direct relief. The 1936 act, the Minister re-marked, contemplated that any

Ottawa, February 25.—(P)—The anadian Wheat Board will pay ack to the Dominion Treasury Canadian

1935-36 Operations

DUE TO

sk to the Treasury, as a r good luck and sound polic the funds then

Dunning Reveals Net Loans

Up to February 15

Down Over \$30,000,000

made before that date.

scher soft register of the second state of the (not being jewellery). 15 per cent

dires, frequency, humidity, humidity, inductance, liquid levels, ohms, operation, for ent. 30 per cent. 30 per ce

-Rovings, yarns and warps

circumference, wholly of vege-le fibres, n.o.p.; 17½ per cent.,

er purposes, n.o.p.,

Linen fire-hose, lined or cent.

In the wey, for consisting jewellery). Is per cent.
27½ per cent., 30 per cent.; (20 per cent., 21½ per cent., 21½ per cent., 27½ per cent., 30 per cent., 27½ per cent., 30 per cent., 27½ per cent., 27½ per cent., 27½ per cent., 27½ per cent., 30 per cent., 27½ per cent., 27½ per cent., 30 per cent., 30 per cent., 30 per cent., 30 per cent., 25 per cent., 30 per cent., 40 per cent.,

(12½ per cent., 27½ per cent., 27½
per cent.).
607—Leather, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing, in their own factories, Free, 7½ per cent., 10 per cent.;
608—Leather, not further finished than tanned, and skins, n.o.p., 5 per

cent.). 610—Belting, n.o.p., 15 per cent., 25 per cent., 27½ per cent.; (20 per cent., 25 per cent., 27½ per cent.). 610a—Belting of camel's hair, for machinery, 7½ per cent., 27½ per cent., 27½ per cent.; (15 per cent., 27½ per cent., 27½ per cent.). than ninety per cent. of silica; magnesite fire brick or chrome fire brick; other fire brick when for use exclusively in the con-struction or repair of a furnace, kiln or other equipment of a man-ufacturing establishment, and articles and materials to be used cent.). 612a—English type saddles, 10 per cent., 27½ per cent., 30 per cent.; 17½ per cent., 27½ per cent., 30 per cent.; 619a—India-rubber colution

er cent.). 619a—India-rubber clothing and lothing made from water-proofed otton fabrics, 25 per cent., 30 per ent., 35 per cent.; (25 per cent., 30 er cent., 35 per cent.; and, in addi-re cent., 35 per cent.; and, in addihigh temperature cement, fire clay and other refractory materi-als for use exclusively in the con-struction or repair of a furnace, kiln or other equipment of a manufacturing establishment, and materials to be used or consumed exclusively in the manufacture or production of such fire brick or refractory materials."



illustrations of all kinds, whether originals, copies or proofs, and printing plates made to reproduce the same, for use exclusively as non-advertising news pictures or for illustrating non-advertising articles or stories in periodical publications enjoying second-class mailing privileges, the pages of which are regularly bound, wire stitched or otherwise fastened to-

refractory materials." (b) by striking out the item reading as follows: "Grain or seed cleaning ma-chines;" and substituting there-for the following: "eight." 4. That any enactment founded on paragraph three of this Resolu-tion shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty-six.

weights of woollen and worsted cloths, including suitings and over-coatings; woollen clothing of all kinds, and many unenumerated articles manufactured from or con-taining wool

<text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text><text>

THE GAZETTE, MONTREAL, FRIDAY, FEBRUARY 26, 1937.

VOL. CLXVI. No. 49



Montreal Power and Shawinigan Sag on Adverse News From Quebec

20

Dosco B. Off But Other Industrials Display Firmer Tone-Mining Market

Is Better

Stocks pursued a mixed trend in yesterday's trading on the local exchange and curb market, with the principal feature weakness in shares of Quebec utilities on disturbing news from Quebec to the effect that the Government may establish a Hydro Commission, similar to that in Ontario, to be operated in competition with private enterprise. Montreal Power and Shawinigan broke sharply, but recovered much of their loss. In the market as a whole prices moved irregularly within narrow limits, base metals showing little of Wednesday's sparkle, newsprints moving irregularly within narrow limits, base metals showing little of Wednesday's sparkle, newsprints moving irregularly within narrow limits, base metals intro of the other steel shares wore firmer, especially Massey. Some improvement was seen in the action of the gold mining division. Stocks closed mixed, the utility average losing 7, the industrial gaining 6. Power was easily the day's out standing feature, dropping to a new low at 30% and closing at 32%, of 1¼ points. Shawinigan dropped to 30 and ended at 31%, where the net loss was 2%. Smaller losses were shown in Southern Canada, Canada Northern and Quebec Power. The industrial list, keen demand for Massey Harris, which sold up to 10% and closed at 16, up %, and firmer frend was seen in the equip ment list. Consolidated Paper was a strong spot in the newsprint list adding a point at 16%, while Price movements were narrow among the "apares." Oils were fairly active and averaged higher. Totakae on word between 94 and higher. Duparquet cased 2 to 11. Stadacona was firmer, also Siscos was diffined freme. Totakae on Montreal markets in the later afternoon trading wip-dout most of the fractional ad-dourng the early dealings. Cor-market, Where the general higher. Duparquet cased 2 to 11. Stadacona was firmer, also Siscos pared with 60,200 charses on Wed neaday; mines, 32,200 shares, as compared with 461,800 shares on Wednesday. **WUNDELACE IC CHAWN** whole prices moved irregularly within narrow limits, base metals showing little of Wednesday's



Bell Telephone of Canada president, C. F. Sise, review-ed year of improvement at annual general meeting of shareholders and emphasized importance of maintaining reasonable margin in form of surplus. * **REST MOVE NARROWLY**

Carloadings on Canadian railways for first fortnight of February showed increase of 14.58% over total for corresponding period of last year. . .

Weakness in utility issues features trading on local ex-change and curb markets; balance irregular. . .

Little change in general level of high-grade bond market, as afternoon setback wipes out most of early recovery. .

> Futures closed steady, 1 to 7 points higher, in trading on local silver market. .

New York market reacts after early upturn, with prices closing irregularly low-er. Average of 60 stocks de-clined 2 clined .3.

reat Lakes 5's ½ higher. Howard Smiths and Canarios & higher. And Cossis included: Canaria and the interlisted groups. The and charles & higher. Howard Smiths and Error Bars were fractionally low. A deature. I Abit bis 2's higher. Howard Smiths and Canarios & higher. And Cossis included: Canaria and the interlisted groups. The and charles & higher. Howard Canadian charles are stead-ins 1 higher. Gross filling at noon. Brazilian again experienced and tern Dairies & ½ higher. Howard Canadian charles are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. The day at cosse are show and the price pushed to an commers off 1, Vickers 1 higher. The day at cosse are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. Cosse i 2's 2's different advances are stead-times 1 higher. The day at cosse are show and the price pushed to a new high for several years at ad on the prover and traction the day at a cosse are 2's ways are stead-times 1 higher. The different advances are stead-times 1 higher. The different advances are stead-times 1 higher. Great Britian and at so were and the price pushed to to a new high for several years at 3's 3's. The close at 2's aways at a stoad continent at so are whigh for several years at so 3's higher. The different advances are stead-times 1 higher. Great Britian and at so decade are at 2's difference at a so are whigh for several years at so 3's for the day. C.P.R. advances are stead to a so are whigh for several years at so 3's hower the day and the price pushed ba set and the price pushed ba s

Irregular Trend Here Shares of leading Quebec power companies suffered a sharp selling attack during yesterday's session of trading here but before the close sufficient buying support had developed to bring about a substantial reduction of early loss-es. The movement was naturally linked with the surprise action of the Quebec Government, but failed to appreciaby disturb the remain-der of the list, which moved irre-gularly higher. A number of select-ed issues were again in active de-

GOSSIP OF THE MARKET

Margin of Safety

ed issues were again in active de-mand, but some of these favorites found their gains reduced or even erased before the close by pressure of profit-taking, induced at least in The annual meeting of share-holders of Bell Telephone Com-pany of Canada was made notable vesterday not so much by the pres part by a turn toward lower levels in the latter part of the session in Wall Street. Brazilian led in ident's review of a year of gen eral improvement, which is nov volume and sold up to a new top since 1930. Power Shares Weak

Power Shares Weak Unusual weakness in Quebec utility shares can usually be attri-buted to developments in the po-litical field, and yesterday's break in such stocks as Power and Shaw-inigan, to mention only the more prominent, was no exception to the prominent, was no exception to the opening, was in immediate reflec-tion of the announcement in the Speech from the Throne that the provincial Government proposes to establish a Hydro Commission, somewhat along the lines of the On-tario Hydro, which will be in com-petition with existing privately-financed undertakings; also to per-mit municipalities, where they de-sire it, to expropriate existing sys-tems. The weakness was most sire it, to expropriate existing sys-tems. The weakness was most marked around mid-morning ses-sion, and the balance of the day saw a fairly substantial recovery in which all the utilities partici-pated. while for the first six weeks of this year there was shown an ex-pansion of fully 43,052 cars over the total for the corresponding per-iod of 1936. Equally satisfactory, is spread to nearly every class of commodities.

The Massey Report

Weakness in Wheat The wheat markets had their third sinking spell within a weak yesterday. Winnipeg futures fell a maximum of 2¼c, and Chicago dropped as much as 3c. Lightness of export demand and cloudy wea-ther over the U.S. winter wheat belt, with forecasts of snow or ran, contributed to the declines. Rallies developed in the later dealings after cables reported improved buying by European importers, Germany, the United Kingdom, Spain and Italy being reported in the market again. At the close losses were %c to 1c





Annual Meeting

its entire issue of 6 per cent. first mortgage bonds now outstanding amounting to \$6,577,000, and that ar-rangements have been concluded for the issuance at an early date of a new issue of first mortgage bonds. The new first mortgage bonds are expected to be part in serial form, maturing to an amount of \$225,000 in each of the years 1940-1947 inclusive and bearing in-terest rates from 3¼ per cent. to 4 per cent. varying with maturity, and in part in the form of 15-year-sinking fund bonds bearing an in-terest rate of 4½. Public offering of the new bonds will probably be confined to the 4½ per cent. 15-year portion of the issue. Bell Telephone President Analyzes Importance at **RECOVERY REVIEWED** C. F. Sise Points to Notable Gain in Confidence and Other Contributing

RISE CONTINUES IN RAIL TRAFFIC

Carloadings for First Fortnight of February 14.58 p.c. Over Last Year

maintaining a reasonable margin in the form of surplus, and alluding to the results of the Bell's opera-tions in the past seven years as having provided a graphic illustra-tion

naving provided a graphic musica-tion. Pointing out that the company's revenues made reflection of the general improvement in trade and industry during the past year, Mr. Sise suggested that a part in the betterment was played by recovery of that intangible but vital factor confidence. Mr. Sise made further reference to the company's con-struction programme for 1937, which has already been dealt with in some detail in these columns. The meeting was purely routine (Special to The Gazette.) Ottawa, February 25.-Carloadngs, the most reliable index of trade, continue to make impressive gains. For the fortnight ended February 13, they scored an increase ruary 13, they scored an increase of 11,913 loaded cars over the corre-sponding period of last year, or by 14.58 per cent, which brought the total betterment since the com-mencement of the current year up to 43,052 carloads, according to a current review by J. Lambert Payne, Ottawa authority. The sig-nificance of this strong upward movement will be understood when it is pointed out that in 1936 it was not until the third week of August the gain over 1935 had reached that figure. It must also be remembered that winter conditions are not fav-orable to expansion. The chief in-creases for the fortnight under re-view were: coal, 1,202; lumber, 880; pulpwood, 1,553; pulp and paper, 1,-475; merchandise, 1,982, and miscel-laneous, 5,598. The exceptions were a shrinkage of 824 carloads in coke and 618 in the grain group. Merchandise and miscellaneaus combined contributed 64.2 per cent. of the total gain for the fortnight over last year; and all economists would be agreed that such a high ratio points to a very stimulating measure of industrial activity, as well as swelling distribution of com-modities. Not since some time be-fore the depression began do the official records show an equal per-centage. Joined to that important fact, and scarcely less encouraging, was the continued vigor in pulp and paper, lumber and pulpwood. The last mentioned shows that the news-print mills are increasing their sup-ply of raw material in order to meet growing demand for the fin-iched eroducts of of 11,913 loaded cars over the correhas already been dealt with in some detail in these columns. The meeting was purely routine in character and resulted in re-election of directors as follows: Hon. Thomas Ahearn, P.C., Ottawa; W. F. Angus, Montreal; George Caverhill, Montreal; Hon. Henry Cockshutt, LL.D., Brantford; C. P. Cooper, New York; K. J. Dunstan, Toronto; Sir George Garneau, Que-bec; W. S. Gifford, New York; J. E. Macpherson, Montreal; Hon. S. C. Mewburn, K.C., Hamilton; Lieut.-Col. Herbert Molson, C.M.G., Mont-real; Glyn Osler, K.C., Toronto; Arthur B. Purvis, Montreal; C. F. Sise, Montreal, and P. F. Sise, Mont-real. PRESIDENT'S REVIEW. Commenting on the recovery in onfidence, Mr. Sise suggested that his revival of optimism is justified a Canada and is apparent for sev-ral reasons, noting: 1. Industrial activity in many of leading countries has surpassed

1. Industrial activity in many of the leading countries has surpassed the pre-depression level. 2. The world economic improve-tent, in conjunction with short trops, has increased the demand for podstuffs, particularly grains. The expansion of industrial activity to-ether with re-armament has eached a stage where the world's utput of raw materials can once hore be sold at remunerative rices. Canada, as one of the great rimary producing countries, has enefited greatly by these develop-ents. In 1936 the value of her ex-orts rose to \$1,028 million, 23 per

IF YOUR PERSONAL. AFFAIRS Need **Re-adjustment**

N. these fast-moving times, tion of his estate on the basis men who are normally of his present net worth, if his L clear-headed often find existing will does not fit curthemselves too bewildered by rent conditions. changing business conditions sonal affairs.

In most cases it is a problem requiring immediate attention -and cannot be postponed until the "return of prosperity."

The immediate task for every man is to face realities courage-

If your own estate plans to quickly re-adjust their per- were made prior to 1929, would it not be wise to revise them

now in the light of current conditions? In this revision we can be of practical help in suggesting specific financial measures for adequate financial protection.

Come in and let us discuss ously, and re-plan the disposi- this important matter with you.

Crown Trust Company

WILLIAM I. GEAR, President JOHN JENKINS, Vice-President IRVING P. REXFORD, Gen. Mar. 393 ST. JAMES STREET WEST, MONTREAL **Executors - Trustees - Financial Agents**



NO WILL! THEN WHAT?



Weakness in Wheat

Factors eral improvement, which is now pretty much a matter of general knowledge, as by that executive's well reasoned analysis of those factors which make essential a rea-sonable margin in the form of sur-plus. Accumulated surplus makes possible a protection of assets and a continuity of operations through day made an outstanding point of emphasizing the importance of

IN BANK CLEARINGIn BarkIndexThe set is designed and the formation of the set in the set of Montreal 111,830,589 14,038,507

 $\begin{array}{c} 14,038,507\\ 126,439,074\\ 4,602,583\\ 939,840\\ 859,870\\ 2,337,162\\ 611,218\\ 443,702\\ 940,202\\ 635,386\\ 28,164,858\\ 218,721\\ 2,734,784\\ 442,939\\ \end{array}$ Kitchener Brantford Chatham Sarnia Sudbury Fort William . Winnipeg Brandon Regina Moose Jaw Saskatoon 1,128,664 Prince Albert Edmonton ... 270.880

 Prince Albert
 270.880

 Edmonton
 3,514,253

 Calgary
 6,113,844

 Medicine Hat
 170,442

 Lethbridge
 360,225

 New Westminster
 497,622

 Vancouver
 20,901,617

 Victoria

 1,587,231

 463,240 18,711,050 1,298,835 29 cities 338,537,837 287,577,644

Crude Rubber Futures New York, February 25. - (P) Crude rubber futures closed steady 12 to 29 higher. March, 21.82b; May 21.98; July, 22.14-18. Smoke ribbed spot, 21.85n.

> **Stock Market** Averages

 (Compiled by the Montreal Stock Exchange.

 10
 20
 30

 Utill. Ind. Comb.
 10
 20
 30

 Yesterday's close
 91.1
 113.7
 106.2

 Previous day
 91.8
 113.1
 106.0

 Week ago
 91.5
 112.1
 105.2

 Month ago
 88.0
 112.3
 104.2

 Year ago
 72.9
 77.3
 75.8

 1937
 High
 92.5
 115.6
 107.8

 1937
 Low
 66.2
 107.8
 103.1

 1936
 High
 92.5
 15.6
 107.8

 1937
 Low
 66.1
 54.8
 66.1

 1935
 Low
 66.4
 50.1
 53.3

 1933
 High
 72.0
 67.3
 68.9

 1933
 Low
 44.3
 18.1
 26.3

 1933
 Low
 44.3
 18.1
 26.3

 1933
 Low
 44.3
 18.1
 26.3

 193 Sterling-Demand Cables

 105.2
 Cables

 105.2
 Cables

 104.2
 Australia

 75.8
 New Zealand

 107.8
 France

 101.3
 Belgium

 101.4
 Belgium

 101.2
 Italy

 68.9
 Switzerland

 63.1
 Holland

 56.3
 Spain

 67.4
 Germany

 53.3
 Sweden

 63.9
 Norway

 30.1
 Denmark

 53.3
 Czechoslovakia

 26.8
 *Brazil

 26.3
 Poland

 52.5
 Hong Kong

 75.6
 Yen

 182.5
 U.S. Dollars

 *-Unofficial

Foreign Exchanges

 $\begin{array}{c} 4.88\%\\ 4.89\\ 3.9041\\ 3.9356\\ .0465\%\\ .1685\%\\ .0526\%\\ .2281\\ .5476\end{array}$

.4023 .2523 .2458 .2184 .03491/8 .0620 .18951/2 .1870

.3050 .2855

Par.

4.88%

4.88 /8 4.89 3.9041 3.9356 .0465 % .1685 % .0526 % .2281 .5476

.4023 .2523 .2458 .2184 .03491/8 .0620 .18951/2 .1870 .3050 .2855 Par.

Bisst, 43
Bisst, 44
2, 724, 158
Sisst, 469
Sisst, 463
Sisst, 464
Sisst, 465
Sisst, 466
<l

Sullivan. LOCAL SILVER MARKET



44.15N 44.15N 44.15N 44.15N Jan. Feb. (1938) 44.15N Ex-Dividend Today

International Nickel, 50 cents per hare. Louisiana Land and Exploration, 10 cents per share. Canada Wire and Cable, pre-ferred, \$1.75. International Mining Corporation, new, 15 cents. Lake Shore Mines, Limited, 100 per cent. Pioneer Gold Mines of B.C., 10 cents. Wright-Hargreaves Mines, Ltd., 10 cents plus five cents in U.S. funds.

facilities in Trinidad's capital. The utilities had been operated by the private company since the turn of the century. The Judicial Committee, in its judgment, directed the Supreme Court of Trinidad and Tobago to find that the board of arbitrators appointed to fix a fair price for the company's property in their award of June, 1935, had not misdirected themselves in law, except as regards the sum of \$69,369 awarded by them under the heading of customs duties. Their Lordships decided that the sum of \$25,061 be substituted for this figure, with the result of reduc-ing the total sum involved from \$1,559,543 to \$1,515,235. The Port of Spain authorities were given judgment for three-fourths of their costs in bringing the appeal. Annual Meeting Here Today

the forces which are making for economic recovery are stronger at this period than at any time since 1929. The proofs are too convincing to be questioned. The single draw-back is the slow response of the building trades, yet it is a reason-able assumption that such a condi-tion must yield to the pressure of necessity. necessity.

Rediscount Rate Unchanged

New York, February 25. — (P) — The Federal Reserve Bank of New York today announced no change in its rediscount rate of 1½ per cent

The law settles the distribution of the property of persons who die without leaving a will. How your estate would be divided depends upon your place of residence, the nature of your property and the relationship to you of your heirsat-law.

People who take the trouble to look into the inheritance laws of their Province usually lose no time in making a will -the legal distribution is so far from their own intentions.

It is always wiser to make a will : : : one of our Estates Officers will be glad to answer any questions and explain how The Royal Trust Company can serve you as Executor.





511 PLACE D'ARMES, MONTREAL

Vice-President and General Manager