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less than \$250,000,000, all of which is included in the debt chargeable to government ownership, but is properly chargeable to private ownership.

"Out of the distorted statement of the liabilities of the Canadian National," continued the speaker, "has arisen the misconception of enormous annual losses. People desiring to give public ownership a black eye by taking a crack at the Canadian National, glibly quote distorted figures hardly ever less than \$100,000,000 per year, and ranging upwards to truly astronomical figures obtained by Mr. Milton W. Harrison, president of the Security Owners' Association, Inc., of \$200,000,000 per year.

Points to Fallacy
"The fallacy behind these figures can best be exposed by the simple illustration of a small business. Let us suppose a man has \$100,000 invested in a business and that the revenues from his business are enough to pay his wage bill, the cost of all materials used, and to maintain his factory in good useable condition, paying all taxes and public charges and leave over \$2000 a year. The ordinary man would say: 'My business has yielded me a \$2000 profit on my \$100,000 investment.' But the man who damns the Canadian National Railways says: 'Oh, no! You should have earned \$6000 on your \$100,000 investment and therefore your plant has lost you \$4000, and your business must issue a note to you for this \$4000 loss and pay interest on it.' This goes on for a period of years and you will see that in a relatively short time the business which in point of fact was making a small return on the invested capital would be shown as a hopeless proposition.

"The Canadian National Railways, from 1923 until well on into the depression of 1931, paid all its wages and materials on operating account, taxes, and all items of expense except interest on invested capital, including substantial provision for depreciation and retirement of property and amortization of bonds discount—in fact, all items of expense, without immediately needed in cash or not, and had left over, something as a return on the property investment. During the worst of the depression years, 1931, 1932 and 1933, the property just missed doing this, but did provide more than sufficient to meet all its cash expenses, except interest. In 1934 a slight return on invested capital account resulted from the improvement in business conditions, and the 1935 result is again somewhat better.

"Some have said they would gladly sell the Canadian National Railways for \$1, presumably feeling that by doing so the country would be better off financially. Nothing is further from the truth."

Possibilities of Mining Industry in the Dominion

In an editorial article last week The Northern Miner made reference to the value of the mining industry to a country, and the editorial is well worth more than just simple perusal. The Northern Miner after quoting the case as it applies to the United States points the moral that similar facts apply to the Canadian case. The editorial in The Northern Miner is as follows:—

"Just how important the mining industry of a nation may be is well illustrated by Dr. John W. Finch, director of the Bureau of Mines, Washington, in a recent address. This responsible official stated that of the entire wealth of the United States between 60 and 70 percent, had its origin in the mineral industry.

Dr. Finch calculates that since the beginning of the nineteenth century the United States has produced more than one billion ounces of gold, about 12 billion ounces of silver, 50 billion pounds of zinc, 100 billion pounds of copper and 136 billion pounds of lead. The wealth produced by the miners does not vanish into thin air; it endures and thus affords substantial additions to the national store of wealth, which Dr. Finch calculates at \$60,000,000,000, nearly all still in use.

"Value figures for mineral production, big as they are, fail utterly to reveal the real importance of minerals or the prominent parts they play in industrial commerce. Mine products are raw materials and by the time they are actually entered into use their value is enhanced many fold. For example, iron ore, may sell for \$2.50 a ton but when two tons of it, say \$5 worth, are made into the steel the value increases to perhaps \$60 a ton on the average before it even leaves the steel mill. Further fabrication into, say, an automobile, causes its worth to grow to \$500.

"Products of mines and crude oil afford well over half the tonnage of revenue freight handled by the United States railroads and to this must be added the tonnage from smelters and refineries and the products of cement, lime and brick works, to make a huge total.

"Dr. Finch estimates that 7,500,000 persons are directly dependent upon the mining industry in the United States and that many millions more are indirectly supported by it.

"We quote these observations to arouse the imagination of the Canadian people to the possibilities of our own mining industry. We have the mineral deposits, the miners, the engineers, the metallurgists, the railroads to handle a mineral production four times what the present shows. What is mainly needed to speed up development is capital and faith, unhampered by too much restriction and by taxation greed."

ERROR IN NAME IN ARTICLE PUBLISHED LAST THURSDAY

In referring to the death of Mrs. Seaman McGrath at Wine Harbour, N.S., last week, a typographical error gave Mrs. M. Mahon as an aunt of the deceased. It should have read that Mrs. M. Mahor, of Timmins, was the aunt of Mrs. McGrath.

New York Waiter Didn't Know his Gold Bricks!

In its column, "Twenty-five Years Ago," the Ottawa Journal has the following interesting item, reproduced from The Journal of Feb. 21st, 1911:—

"A playful Canadian mining man whose name was not given, dining in a New York hotel with a friend, had in his pocket a small briquette of pure gold worth \$1900. The meal ended, he offered it to the cashier in payment of a \$14 bill. The indignant cashier said he wouldn't give 20 cents for it, and called the house detective."

Some Odd Facts About San Juan del Rey Mine

While all interested in mining know something about the famous San Juan del Rey mine in Brazil, the following from "Grab Samples" in The Northern Miner, give added facts that are not in the usual line. At the present moment there is special interest in the San Juan del Rey in the district, because there is considerable deep mining now in progress in the North, and the San Juan del Rey is particularly famous for its deep mining. The following is the article from "Grab Samples":—

"A Canadian mining engineer who recently visited the famous San Juan del Rey mine in Brazil, reputed to be the deepest in the world, has sent home an interesting outline of his impressions. To get to the bottom he went down six vertical shafts and three inclined shafts, with four of the verticals being a thousand feet each. At the bottom the temperature is 125 degrees Fahr, despite the provision of two refrigerating plants, one at the surface and the other half way down. Were it not for the fact that at the bottom levels the vein has narrowed to three or four feet and the grade has dropped another refrigerator would be installed there and sinking would have been continued. As it is the operators have returned to upper levels where the vein is ten to 40 feet wide and a thousand feet long, with the average grade of \$15 to the ton.

"Drilling, strange to say, is done dry and the drifts are foggy with dust, yet the management claims there is no trouble with silicosis. The mine is quite dry and although the rock temperatures are high, humidity is not a difficulty. They have no trouble with rock bursts in this mine as they do in Africa and the high temperature is their main trouble.

"The ore is a heavy sulphide, mostly pyrrhotite, with a little arsenopyrite which carries most of the gold, making the ore somewhat difficult to mill. The federal government helped out by placing a heavy import duty on arsenic so that now the concentrates can be roasted and the by-product arsenic sold for more than enough to pay for the processing. Roasting frees the gold so that a high extraction can then be made by cyanidation.

"The engineer noted that in the change room at surface which is used by the superintendent and other white men there are no facilities for a shower bath. The same old rusty 'tubs' that were brought out from England several generations back are still in use, being strung out in a row along one side of a long room.

"In the mill which is more modernized they have 140 stamps and five tube mills and are treating around 800 tons a day from the old mine. Concentration on James tables and strakes, with roasting of the concentrates, followed by cyaniding is the flow sheet. The mill is being enlarged to take care of the adjoining Santos mine which has recently been developed. An aerial tramway six miles long carries the ore from the mine to the mill.

"There are about 160 Europeans and around 7000 natives engaged at the property. Of these 1500 are miners working underground at the old Morro Velho mine and the balance in the mill and other surface operations. It seems a high ratio of hands for an 800-ton operation.

"The engineer learned that there are a great many low grade deposits, as saying from \$2 to \$5, some of them quite extensive, in the area. It is a difficult country to prospect because the vein outcrops are usually covered with a saprolitic clay which is derived from the decomposition of the enclosing schistose rocks. This decomposition extends for from 30 to 50 feet below the surface in this area. The Morro Velho outcrop was just a rusty red zone in the yellow clay and it was found by placer miners who worked their way up the Rio das Velhas to the mine location."

Toronto Mail and Empire:—What Dr. Currelly of the Ontario Museum meant to criticize was not the slothful habits of women to-day but of women in an ancient Egyptian dynasty of which, naturally, he is well informed.

Must Reduce Costs to Balance Budget

Co-operation of Public Urged to Extent of Avoiding the Urging of Unnecessary Expenditures.

Declining private incomes mean declining public revenues. This point was emphasized in a study of the revenues of the Province of Ontario for the past three years by the Toronto Board of Trade, and based on a survey of Dr. H. L. Brittain, Director, Citizens' Research Institute of Canada.

The only source of revenue a public authority has is the income of its citizens, but there is a point beyond which increased taxation brings diminishing returns. When private incomes are shrinking, this point of diminishing returns is reached much more quickly than in times of expanding incomes. The survey shows, detailing comparative statistics on revenues of the province.

"Provincial revenues declined during the period 1930-31 and 1933-34 by over four million dollars, while revenues from taxation continued to increase until 1933-34, when a sudden drop occurred. It was shown that in 1904-05, taxation was less than one-fifth of the revenue, but in 1933-34 it represented about two-thirds of the revenue. The decline in tax revenue in 1933-34 more than accounted for the decline in total provincial revenue.

Among the suggestions advanced by the Toronto Board of Trade are:—

(a) That the levels of taxation, particularly taxation on business and industry, should be reduced in order to stimulate the revival of business and industry from which nearly all people draw their livelihood and thus reduce unemployment.

(b) That in order to make this possible the public be urged not only to refrain from demanding increased public expenditure for purposes in which they are directly interested, but to cooperate actively with the government in reducing governmental costs which bring about increased taxation.

(c) That every wise effort on the part of public bodies to increase the revenue, direct or indirect, from our public domain by methods of conservation and by the stimulation of tourist traffic be vigorously supported.

New Mine Handbook is Valuable Volume

Gives Interesting Data and Analysis of Practically All Canadian Mining Ventures of Any Importance.

For years past The Canadian Mines Handbook has been practically indispensable for any interested in mining and mining companies. Like The Northern Miner, from whose presses it is published, the Handbook is noteworthy for its accuracy and the completeness with which it covers the situation. No one who is interested in mining matters can afford to be without this volume. It should be consulted frequently.

Furnishing a comprehensive review of mining activities from coast to coast, the Canadian Mines Handbook for 1936, just issued, covers many more companies and is somewhat larger than any previous edition. A total of 3774 Canadian mining operations are dealt with, and the book runs to 367 pages.

Some 250 of the companies and syndicates treated are newly formed, and in addition a number of companies, formerly listed as inactive, are covered in greater detail than previously by reason of resumption of operations.

The Handbook, as usual, analyzes the leading mining companies in great detail, giving directors and operating officials, executive and mine office addresses, property location, development, ore reserves, production, earnings, dividends, financial position and other important facts. It lists 2734 inactive, reorganized or defunct corporations and is, therefore, especially useful to those who wish to trace ventures which have passed out of current knowledge. Where reorganizations have taken place the share exchange basis is given whenever possible.

The book carries a seven-year high-low range of stock exchange quotations and other data such as commission rates on leading markets and federal and provincial transfer tax rates.

The Handbook is edited and published by the Northern Miner Press Ltd., 122 Richmond St. W., Toronto, Ont. The price remains unchanged at one dollar.

Almonte Gazette:—Displacement of women in business by male stenographers and secretaries is seen in a report on employment conditions presented by Miss Mary MacMahon before the annual meeting of the Toronto Local Council of Women. In a tendency of large corporations, brokers and mining men to prefer male help to female, Miss MacMahon saw a possible forecast of a return to the Victorian era when woman's place was in the home.

Renfrew Mercury:—James Y. Murdock, K.C.: "It is the so-called rich man or the energetic ambitious, rising young man who develops our resources or creates new industries and thus new employment. A continuation of the present policy of 'soaking the rich' will be to the serious detriment of the development of the country and the employment of the people."

Time:—Baltimore, Md., police received an appeal: "I'd like to get my cows back. You might also look for my wife. But if you don't have time for both, spend what you can spare on the cattle."

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Abitibi Canyon Power Deal a Favourable One

In an address in the Legislature last week Hon. Geo. S. Henry, former premier, took occasion to refer to his firm faith in the North and to point out that events and circumstances in the last year or two fully justified the faith he had shown. He also made reference to the repudiation of Hydro contracts by the Hepburn provincial government. In regard to the Abitibi Canyon power development, Hon. Geo. S. Henry said that he believed that the Abitibi Canyon power development which he had declared three years ago to be one of the greatest enterprises of the province in recent years, was living up to his expectations.

"I believe that the members from the North are 100 per cent. with me in the belief that Abitibi will yet prove a great stroke of business for the province," said Mr. Henry.

"I also believe that the day will come when the members of the present government will bow their heads in shame in their cancellation of Quebec power contracts," said Mr. Henry. "They are now buying power from day to day. There is not a company in the United States that does not have a greater reserve than Hydro. It is nothing but political juggling the way this administration has slaughtered the power reserves of the province for political purposes," he said.

High-grade Samples from Week's Run of the Press

Acton Free Press:—St. Valentine's Day handed out some queer valentines, but it is also a day on which several cases before the courts received settlement. O'Donnell received his sentence in Toronto; Walker got his term meted out at St. Thomas; and Knowles, another in the Labatt kidnapping case, was sentenced.

Renfrew Mercury:—Now we are hearing that men's clothes are to be more colourful. Won't it be great when the old boys begin wearing larger feathers in their hats and some pink bows on their pantaloons? All those who read this column and who would like to have a nice red vest are invited to send their requests to the editor.

Ottawa Journal:—According to William Green, President of the American Federation of Labour, there are 11,400,000 unemployed in the United States, with still "no prospect of work for more than a mere handful of that number." It is a striking comment upon Mr. Roosevelt's \$4,000,000,000 public works spending programme.

Toronto Mail and Empire:—It is surely a sad commentary upon our boasted civilization when a prize fight tournament at the Maple Leaf Gardens will draw a greater number of people than even Mr. Denton Massey's Bible class.

Brandon Sun:—We always refuse to give the bride away. We prefer to let the groom find out for himself.

North Bay Nugget:—Loud wailing and great howls are the aftermath of Canada's unsuccessful effort to retain world amateur hockey honours. The people are only interested in the fact that somebody made a mess of the assignment.

Boston Herald:—"There is no simple word," writes a Western editor, "to express what the American people want. Well, brother, how about 'More'?"

Brandon Sun:—If you do things because everybody else does them it is a sign that there isn't much to you either.

Sudbury Star:—Valentines may be foolish and all that, but they certainly build some great fires in the grate.

Indianapolis News:—A war never seems to go where there are names that are easy to pronounce.

Ottawa Journal:—Some people tell the truth more for the sake of convenience than for truth's sake.

Hamilton Spectator:—Premier Hepburn and Emperor Haile Selassie have one thing in common. They are both able by now to appreciate the meaning of defensive warfare.

Asheville (N.C.) Observer:—Italy can be pacified, of course. And we could have pacified Capone by giving him Chicago.

Sudbury Star:—Mark Twain, who complained that nobody ever does anything about the weather, should see us at work with our snow shovel.

Toronto Telegram:—Carelessness at the polls is just about as tragic as carelessness at the steering wheel.

Huntingdon Gleaner:—While still a young man, Jack MacCarthy, baker of Kinsale, Irish Free State, decided there was no use wasting so much time sleeping. He was on the night shift at the bakery and so he spent most of his daylight hours hunting, sleeping only an hour or two in every 24. In recent years, he is said to have done without any sleep at all for many days at a time. He died recently at the age of 76.

Herbert Hoover:—"Blessed are the young, for they shall inherit the national debt."

Masquerade Dance Proved Big Success

Winners of Prizes at the Porcupine Badminton Club Masquerade Dance on Friday.

The masquerade dance under the auspices of the Badminton Club on Friday evening proved a notable success and was much enjoyed by all present. The majority were in masquerade and the costumes were particularly interesting, with many novel designs. Aunt Congiano's orchestra provided excellent music for the evening and all other features were up to the highest standards. Dancing started at 10 p.m.; the grand march was at 11 p.m.; refreshments were served at 1 a.m.; and the dance closed about 2 a.m.

The prize winners were as follows:—

First, ladies, Mrs. McCrea, Dome, as "Lady of the 19th Century."

First, gentlemen, A. R. Harkness, as "Colonial Gentleman."

First, ladies, original, Mrs. Scully, "Spring Salad."

First, men, original, R. McChesney, "The Baron."

First, ladies, comic, Mrs. Keith Stirling, "Ma Yokum."

First, men, comic, Wilfred Hislop, "Mae West."

Other costumes worthy of special comment included Mr. and Mrs. Jeffrey Cosser, Mr. Newkirk, Wm. Vaughan and Miss Eleanor Harkness, as the Dionne quintuplets.

The judges for the costumes were: Mr. and Mrs. F. C. H. Simms, Mrs. J. R. Todd, P. E. Cooper and Dr. Porter.

Horwood Property in Prospect Stage

Sixty Claims Under Option to Hollinger Look Promising, but are Being Proven up.

Despite the many rumors that have been published throughout Canada regarding the Horwood Lake property now being developed by Hollinger, it is still only in the stage of a prospect. Hollinger officials advise The Advance.

The 60 claims comprising the Smith-Thorne group optioned to Hollinger look promising. There seems little doubt of that. A two compartment shaft has been sunk to a depth of 325 feet and crosscutting has been begun at the 200-foot level. As yet few samples have been taken and those in charge of the operation have not attempted to place any estimate on ore lengths or depths.

A total of 46 men are employed on the project, 11 of them on diamond drill crews. During the coming spring, the claims will be given a thorough going over and the property will have a real chance to prove its worth. Some sounding for rock is being done in the lake itself.

Horwood lake is located 17 miles from Timmins, a station on the C.N.R. Capreol line, a hundred miles northwest of Sudbury. A winter road makes it possible to haul supplies in from Timmins to Horwood Lake by sleigh. Lumbering operations in the same district by a Sudbury firm make transportation problems easier than they would otherwise be.

Communication from Timmins to the new property is kept up usually by aeroplane.

With H. R. Bain & Co.



GEORGE H. O'NEIL, former Vice-President and General Manager of the United Hotels Company in the United States and Canada, and Honorary President of the Ontario Hotelkeepers' Association, has become associated as special representative with the firm of H. R. Bain & Co. Limited.

Mr. O'Neil brings to his new association a long experience in the administration of important enterprises and a wide acquaintance with business and financial leaders on both sides of the border.

Looks to Time When C.N.R. Will Pay Way

S. W. Fairweather Sees Much Better Times Ahead for the Canadian National Lines.

"What would you think of a business that came through the greatest depression in history paying all of its cash expenses, except a return on capital, a property which in 1928 had earned \$45,000,000 as a return on invested capital and which, should the general conditions of 1928 come back, would yield a return of \$60,000,000 on invested capital by reason of improvements in the property and in efficiency. Would you say this property is defunct—it is no good—it will never pay its way?"

These were among the questions which S. W. Fairweather of Montreal, director, Bureau of Economics, Canadian National Railways, asked of Canadian businessmen in speaking to the Rotary Club at Moncton, N.B., this week, according to despatches from that city. His subject was "Some Misconceptions of the Canadian National Railways."

"It is not generally realized," continued Mr. Fairweather, "that the Canadian National Railways in 1928 stood fifth of all railway systems on the North American continent in order of net income available for interest charges. Can anyone who has a knowledge of such a demonstrated performance and has any faith in Canada have any doubt as to the real value of the Canadian National System? I would not have you feel that I consider the present financial difficulties of the Canadian National as insignificant and as something which can be lightly brushed aside. The system, in order to meet its interest payments to the public, in 1934 had to obtain \$48,407,900 from the government, and for 1935 the amount required will be approximately \$47,000,000.

Can See Deficit Diminishing
"These are very considerable amounts, which in 1934 made up 10.2 per cent. of the total federal budget outgo and 5.2 per cent. of the total tax burden of the country. But I wish to emphasize that when this cash deficit is included in the federal budget there is nothing more to be added. The remainder of the book deficit calls for no additional cash outlay and is non-existent in the sense of being an additional burden. With any considerable increase in traffic, one may confidently look forward to the cash deficit diminishing until, should we return to the traffic level of say 1927, it would disappear. At higher levels the system would not only easily pay interest on its bonds, but would also return a dividend on the capital invested in it by the government."

"Some people associate the large debt of the Canadian National Railways directly with the policy of public ownership. They either forget or ignore the fact that at the time the properties were acquired they were in debt to the extent of \$1,000,000,000. It was because they had this huge debt and could not pay even their operating expenses that bankruptcy threatened and the government took the properties over.

Had Been Bled White
"Nor is this the complete story; the properties when in the hands of their private owners had been bled white in an attempt to preserve financial solvency so that the new owner had to put into the properties large sums of money to rehabilitate them or to make good makeshift construction. The exact amount cannot be ascertained, but I would venture an opinion that it is not

12,000 JOBLESS IN NEW YORK RIOTS



Struck on the head with a short police club, this relief worker, (TOP), in a dazed condition, topples in the snow. He was one of the many who fell in the violent clash between 12,000 relief workers and 400 police at Madison Square Park, where the workers massed for a protest parade. (BELOW) They had no permit. Rep. Vito Marcantonio of Harlem district, New York, was badly beaten and arrested when he shouted "forward" to the workers and attempted to lead them through the police lines. Several on both sides were injured.