

THE CANADIAN BANK OF COMMERCE—Continued

and those who are engaged in business not connected with war supplies. The money made by the individual, however, has, so far as the nation is concerned, to be provided by a war debt incurred partly by Canada and partly by Great Britain. We do not, like the United States, receive gold in exchange for a large part of our products, we even borrow from the United States part of the cost of the war.

THE DOLLAR SAVED.

If we could free ourselves from the habit of thinking of commodities merely in the terms of their money value, we should discover that what we are doing is to provide material to help our gallant sons and their fellow Britons to win the war, and that there is no one to pay for this material ultimately but ourselves and the Motherland. Therefore, in the monthly letters issued by this Bank we have constantly preached thrift in order to discourage people from spending that which as a nation we cannot afford to spend. We repeat once more that every dollar any Canadian saves, whether he buys a war bond therewith or indirectly enables the banks to do so, is one dollar more of power to win the war, and that particular dollar no one else can provide if he fails to do so. We are told by every one who visits England, and especially by those who have also seen the battle line and the conditions there, that in Canada we act as if no war existed.

EXTRAVAGANCE.

I have referred to the motors and the silks, but they are only examples of an extravagance which is observable in every direction. We should undoubtedly forbid, or at all events heavily penalize, the importation of all luxuries; municipal expenditures should be further curtailed and all projected improvements first submitted to the criticism of provincial commissions; we should not think it amiss if the expenditures of individuals at eating places are legally restrained and meatless days are instituted. I am not endeavoring to say in what directions economy should be enforced in Canada as it has been in England, but beyond a doubt it must be enforced in many directions if it is not voluntarily adopted by our people.

PRODUCTION AND PRICES.

It is not easy to conjecture how far the prosperity of Canada is due to the activity in production of all kinds, to the ready market and high prices, and how far to the grain crop of 1915, a crop so extraordinary that it exceeded some estimates by seventy million bushels and our own by fifty-seven millions, but it is well to remember that our prosperity was due to both causes and that the crops this year have not been good. If we have throughout Canada a fair average result, that is the best we can say of our agricultural and pastoral production. High prices will make up for this to the producer, but nothing can make up to the nation for the shortage of foodstuffs at such a time. The liquidation of debts following the great crop in the West, the improvement in the towns and cities of the prairie provinces and British Columbia, the growth in bank deposits, the marked improvement in railroad earnings, and the increase in the figures of every clearing-house in Canada, are all things so directly dependent upon the great crop that we must expect a lesser degree of prosperity in the West in 1917.

CLEARING-HOUSE FIGURES.

Since 1913, when the largest figures up to that time were reached, the totals of the Clearing Houses have been declining in volume. During this year, however, they have expanded to figures much beyond anything hitherto recorded, the total being \$10,564,043,000, an increase over 1915 of 35.48 per cent., and over 1913 of 14.17 per cent. In the three principal cities the increases over 1915 range from 35 to 42 per cent., and over 1913 from 14 to 29 per cent. There are now twenty-five Clearing Houses in Canada, two having been established during the year, namely Kitchener and Sherbrooke.

We subjoin as usual the building permits for the four principal cities. Except in Montreal, they show a very considerable advance upon 1915, although they are still inconsiderable as compared with 1912 and 1913, the years of greatest expansion:

	1913.	1914.
Montreal.....	\$27,032,000	\$17,619,000
Toronto.....	27,038,000	20,672,000
Vancouver.....	10,423,000	4,484,000
Winnipeg.....	18,621,000	12,160,000

	1915.	1916.
Montreal.....	\$7,495,000	\$5,334,000
Toronto.....	6,651,000	9,882,000
Vancouver.....	1,593,000	2,412,000
Winnipeg.....	1,826,000	2,507,000

INDUSTRY AND RESEARCH.

We are not now discussing after-the-war conditions so much as we did a year ago—we have realized that our first duty is to win the war—but there are matters which prudence demands should not be neglected. I am glad to see that a very eminent man has been appointed as the head of a commission established by the Dominion Government for the purpose of scientific research in connection with our industries and our natural resources. We have on the one hand manufacturers craving for help in the questions arising in their business which depend on skilled knowledge in chemistry, physics, metallurgy and other branches of learning, and we have on the other laboratories and skilled members of the faculties of our universities keen to solve these difficulties. We want some local machinery to bring these two together, and our provincial governments, aided by our boards of trade, could bring this about. If both manufacturers and governments are willing to join in the expense, which ought not to be burdensome, a bureau which would receive such problems and determine the cost of investigating them would place us in a position to begin this great work at once.

EFFICIENCY IN PRODUCTION.

We know that the future prosperity of the country with its load of war debt, depends upon greater production in the field, the pastures, the forests, the mines, the sea and in the workshops, and we cannot afford to be behind any nation in the world in efficiency when the fierce race for success in trade follows the war. In the West the provinces must spend liberally to improve agriculture and to encourage the increase of live stock, and whatever is possible must be done to enable the farmers to market their crops at the best time and to improve the conditions surrounding their homes. Nor can we afford to see the valuable fishing industry of British Columbia, which supplies forty per cent. of our fish, decline on account of the unskilled methods employed in both the salmon and the halibut fisheries.

MAKING MUNITIONS.

A year ago we were able to make a few not very well-connected remarks regarding the manufacture of munitions in Canada. We sought, however, to convey at least some idea of the scale on which we were working, and to indicate that there are very few of our industries that cannot aid in the cause. Although very many goods are being shipped and contracts carried out which do not come within the operations of the Imperial Munitions Board, the War Purchasing Commission, the Department of Agriculture, or the British War Office Purchasing Department at Montreal, such information as can be gathered as to the operations of these bodies is useful. The shipments through the Imperial Munitions Board comprise empty, fixed and complete shells, also fuses, brass cartridge cases, steel forgings, cordite, tri-nitro-toluol, etc. During 1916 the total disbursements were about 320 millions of dollars, and while we have no information on which to hazard an opinion as to the scope of operations for 1917, it is at least suggestive that the actual business completed during the year amounted to about a million dollars a day and that many manufacturers are only now ready to deliver certain kinds of shells to the full capacity of the plants established for the purpose.

WOMEN EMPLOYED.

A year ago women were but little employed in making munitions, now they are working by thousands in munition factories, and while much delay was caused by the necessity of creating new shop conditions for them, this has been accomplished in many factories, and we can but hope that thousands more of our women will come forward for this work and thus release many men for the front. When we consider that there are 600 factories in Canada and Newfoundland from the Atlantic to the Pacific, all making munitions night and day, three shifts of eight hours, or for the women in some cases, four shifts of six hours daily, we can get some sense of the scale of operations. The supervision of all this requires between 3,000 and 4,000 inspectors and 600 other employees.

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