

equipment could be offered than the ease with which the present year's crop was harvested, moved and warehoused. This has been done in a manner which would have seemed impossible only a few years ago, and the value of the smoothness and rapidity with which the work was handled can scarcely be estimated.

In connection with the opening of the Panama Canal, there will be held at San Francisco in 1915 the Panama-Pacific International Exposition, for the purpose of impressing upon the world the vast change in its commerce likely to accrue from this new waterway. It is peculiarly gratifying to know that in this exposition Canada will take a very prominent place. It is proposed to erect a building covering 65,000 square feet, considerably larger than the Canadian building in any previous exposition, and in this space the natural products of our country in agriculture, horticulture, minerals, forestry, fish, game, etc., will be adequately displayed. We understand that it is the intention of the Government to make this one of the best exhibitions that has ever been placed before the public in the interest of this country.

We turn to the Clearing House returns with unusual interest at such a time as the present. There are now twenty-two Clearing Houses in Canada, but leaving out two with records for part of the year only and comparing the figures of the twenty in operation a year ago, we find that there have been ten increases and ten decreases during the year, as compared with increases in every Clearing House the previous year. The increase in the total is 1.27 per cent. as against 23.74 per cent. a year ago. Increases appear in the figures of seven eastern and three western cities and decreases in those of eight western and two eastern cities. After the phenomenal increases in 1912 we may be glad that we have held our own in 1913. Montreal, Toronto and Winnipeg, three cities which account for 72 per cent. of the total, all show increases.

The building permits of the four chief cities were as follows:

	1911.	1912.	1913.
Montreal . . .	\$14,580,000	\$19,642,000	\$27,032,000
Toronto . . .	24,374,000	27,401,000	27,038,000
Winnipeg . . .	17,550,000	20,475,000	18,621,000
Vancouver . .	17,652,000	19,388,000	10,423,000

We have made the comparison for three years in view of the contraction which has begun in some cities. Toronto has just kept even and the decline in Winnipeg is trifling. The marked contraction is in Vancouver, and this no doubt represents conditions in many other western cities. In Montreal, however, there is a great increase in value, although the number of permits is practically the same. The figures for Montreal always exclude large suburbs, the building in which last year is said to approximate \$10,000,000 in value.

The comments of our Canadian, United States and English officers upon the trade and financial situation are so clearly set forth that I hesitate to repeat in any form their conclusions. It may be well, however, at such a difficult time to sum up the case as concisely as possible. The world has two problems before it: (1) How to render available a supply of money sufficient for the carrying out of such physical betterments as must be financed by the sale of securities? (2) How to enlarge the credit facilities of the world for those shorter term transactions which consist of the manufacturing and distributing of perishable goods?

The first problem can only be comfortably solved if there is sufficient money saved—that is, profits withdrawn from

active use in business, or income not expended by the owners, etc.—to provide for the necessary borrowings of those who are expending money on permanent improvements. For some years the world has been more extravagant than in any period known to history since Roman times, and this extravagance has been accompanied by a rise in prices which has made it very hard for those who are not extravagant, and who are the most regular in saving money in ordinary times to put the usual margin against life's contingencies. When securities cannot readily be sold because of a shortage in these savings, the money necessary for the short term transactions above referred to is used to some extent, but the strain produced by this cannot continue indefinitely, and such permanent improvements must lessen in volume until savings catch up and the equilibrium has been restored. The situation during the past year, however, has been aggravated by many other factors. In many countries, notably in Canada, where large sums are being expended on permanent improvements, there is a relatively small number of those who have savings to lend, and the wants of all the borrowers in all such countries have exerted upon the lending countries of the world a combined pressure greater than ever before known. On the other hand, to the extravagance of individuals represented by motor cars, palatial houses, social display, etc., beyond the capacity of their incomes, have been added colossal expenditures in war and on armaments and for many purposes which are useless from an industrial point of view. Armaments are necessary as part of the police system of the world, but the money sunk in their creation is none the less a sad burden to the industrial world. We have thus come to a time when, coinciding, as they do, with the hoarding of money by timid owners consequent upon the Balkan and Mexican troubles, the unusual requirements coming from an almost world-wide prosperity cannot be fully met. All business activities, therefore, throughout the world must be lessened in volume until things right themselves, which they will do quite speedily if people generally are willing to profit by the lessons to be drawn from recent experience.

The motion for the adoption of the report was then put to the meeting and carried. Amendments to the by-laws regulating the number of directors of the bank were passed, and Mr. T. Harry Webb, C.A., of Messrs. Webb, Reid, Hegan & Callingham, Montreal and Winnipeg, and Mr. James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Co., Montreal, were appointed auditors of the bank, their remuneration not to exceed the sum of \$15,000 for the year. The usual resolutions expressing the thanks of the shareholders to the Board of Directors and also to the staff of the bank were unanimously carried. Upon motion the meeting proceeded to elect directors for the coming year and then adjourned.

The scrutineers subsequently announced the following gentlemen to be elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavell, LL.D., A. Kingman, Hon. Sir Lyman Melville Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John M. Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph.D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President, and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

GROWTH OF NON-PARTICIPATING BUSINESS.

A few years ago the policies on the participating forms of life insurance companies issued each year were enormously in excess of those issued on the non-participating form. In the last five years a great change has taken place and the proportion of non-participating insurance is increasing rapidly.

The amount of non-participating insurance in force amounted at the end of 1912 to nearly five billions of dollars in the forty-three leading companies of the United States, and the three leaders in "gain of life insurance in force" in the seven years 1905 to 1912 were companies writing non-participating insurance exclusively.

PROVINCIAL BANK'S YEAR.

The annual statement of the Provincial Bank of Canada shows net profits for the twelve months ended December 31st of \$190,126, as compared with \$185,165 in 1912, a gain of \$4,961, and representing 19 per cent. on the paid-up capital. The sum of \$50,000 was added to the rest account, which now stands at \$625,000. The sum of \$56,941 was reserved for depreciation of securities.

The statement shows assets of \$13,032,369, of which \$7,456,608 are liquid, a ratio of 65¼ per cent. to public liabilities. Interest-bearing deposits aggregated \$6,856,813, as against \$6,655,450 the previous year. Current deposits totalled \$1,965,095.