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rs of service to the farmers we Golden Jubilee Catalogue. It king. It will help you to make e. Drop us a line for one now. Keith & Sons, AST. TORONTO

Patriotic Song.

tells me that she forgot addition to the 25 cents song, "Canadian Forever," are being given to the cent be enclosed for postshe is paying all the postd orders are flowing in address, as given before, street, London, Ont. JUNIA.

want to give Jack some ll, you know, and I can't at kind to give. y not give him some-

, my, no! He's con-

tary review at Aldershot e of the foreign attaches lf obnoxious to several y asking ridiculous and t questions. Turning to officer, he said:

colonel, that your bugle so short while the 'Rene reverse ?"

replied the veteran, soldier goes into action ingle note from a bugle vance anywhere, but it ass band to make him

less enthusiasm of his faddist harangued the rvellous results to be ting nut butter and a like that.

ried, swelling visibly chest, "two years ago skeleton—a haggard, What do you suppose his great change in

see the effect of his oice rose from among t change ?"

id War Correspondent w an artillery blackon the sleeve of his mer and pincers—the ling.

ngs on your sleeve asked him one day. an army dentist," he at me.

said the civilian. are to pull the teeth hammer-wot's the

said the blacksmith,

cases to chloroform

CANADA'S FINANCIAL SITUATION

As disclosed by the addresses of the President and General Manager of the Canadian Bank of Commerce at the annual meeting of that Bank. Sir Edmund Walker, President of The Canadian Bank of Commerce, speaking at the annual meeting of his bank thus reviews the changes brought about by the war in Canada's trade position.

PRESIDENT'S ADDRESS.

JANUARY 20, 1916

When in 1913 we came to the end of a period of expansion we found ourselves like a healthy but overgrown youth, still dependent upon the mother. We had to sell over 400 millions of securities in order to settle our foreign debit balance for the Dominion fiscal year ending March 31st, 1913. During the year ending March, 1914, the difference between our exports and imports decreased by 130 millions, but still left over 300 millions to be provided by the sale of securities in a market very much more difficult than that of the year before. More than one-half of the year ending March, 1915, was affected by the war, and the situation was still further improved to the extent of over 144 millions. For the six months ending ending September, 1915, there is a further improvement of 80 millions as compared with the previous year, but this same half year, when compared with the corresponding period in 1914, shows an improvement of 109 millions. For reasons explained a year ago, coin and bullion are left out of our totals.

INTERNATIONAL POSITION.

The following figures will illustrate the astonishing change in our international Fosition :-

			Imports.
1913		 	\$686,515,536
1914		 	635,383,222
1915	·	 	497,376,961
6 mo	n.hs	 	228,835,678

In order to estimate our true position, we must add to the excess of imports the interest due upon Canadian securities held abroad, now estimated at about 140 to 150 millions, and we may count upon any excess of exports as available to pay this interest. During the last half of the present Dominion fiscal year, the effect of the export of our great crops, of our manufactured munitions, prepared foodstuffs, cattle, horses, etc.. will be felt, and the excess of exports by 31st March, 1916, should be about equal to our interest charges payable abroad.

In 1913 we knew that we had used our credit to the available limit, but we hoped gradually to move into safer conditions. If anyone had suggested that we could so adjust matters within three ears as to have a credit balance in our foreign trade, instead of a debit, and that this credit balance would be large enough to offset our interest payable atroad, our answer would have been that it was folly to indulge such hopes.

CREDIT STRENGTHENED.

This demonstration of what we can accomplish under pressure has, of course, greatly strengthened the credit of Canada, so that, while, for obvious reasons, we cannot at the moment sell securities in Great Britain or in Europe, we are building up a market for them in the United States which, when we consider the enormous increase in wealth taking place in that country at the moment, we may well hope is not of a temporary character.

In Canada, the building of almost all private or public works, causing a lockup of capital, has stopped for the mament; individuals are buying less extravagantly, even if there is not sufficient effort to economize; everybody who has not enlisted can find work to do; and for a very large part of our national production, from the farm to the machine-shop, there is a persistent demand by the Allies. All this tends to produce a condition of prosperity, with ease in the money market, and if, like the United States, we were a neutral country instead of one engaged io the war, our national wealth would be increasing at a pace undreamed of in our past history.

We are proud, however, that we are not among the neutrals, but among

the loss of life which our honor roll represents, we ourselves must bear now and must ask our children to bear, a great cost in money.

THE GREAT CROP.

A year ago everybody in Canada was urged to put into his particular effort in life an energy and seriousness of purpose adequate to the needs of the great war. If we cannot fight we should help in the countless other ways that are open to Nature smiled on our efforts, and we have been blessed with the greatest crops ever known in any new country. This has silenced the pessimists, and our great West is more sure of its future than ever. Indeed, for loftier reasons, all Canada feels much more sure of its future than it has ever done before. That overgrown youth, leaning upon his mother, has suddenly found himself, and to the call to play the man, has responded so well that his place among the younger nations and his influence in the greatest empire in the world are assured. The war, however, is still at its height, and there is little sign of such an end as we must attain if we are to follow our natural course in peace. We cannot afford to relax our energies for a moment; such efforts as we made in 1915 should be increased in 1916, and

		AM 20 20 00
Exports.	Excess imports.	Excess exports.
\$877,068,355	\$309,447,181	
455,437,224	179,945,998	***************************************
461,442,509	35,934,452	
273,377,082		\$45 041 40

the need for personal and public economy is not lessened a particle by the prosperity incidental to the war. I notice that when some citizen takes the trouble to indicate particular forms of economy he is met with criticism. Of course, economy for one man would be a great indulgence for another, and each must settle for himself the scale on which he can lessen his expenditure. We are exceedingly fortunate that such an income tax as that in Great Britain does not settle the question most drastically for each of us. It must be clear that every time we buy something outside of Canada we weaken our national finances, unl ss or purchases consist of material which will in some form or other be exported again. This does not mean that we can avoid making large purchases abroad, but that we can avoid unnecessary purchases. It must also be clear that when any man avoids expenditure which it would be quite natural to make in times of peace, he can invest the amount saved in war loans, and every dollar saved and thus invested is a blow struck on behalf of the Allies. So well is this need for personal economy understood in England that some of the great banks who have not heretofore had savings departments like those in Canadian anks have now established them.

CLEARING HOUSE RETURNS. The contraction in ordinary business, which began in 1913, and was greatly increased by the war, is most forcibly illustrated by the figures of the building

permits in our four principal cities. For the last four years they are as follows:

		1912
Montre	al	\$19,642,000
Toronto		27,401,000
Vancou	ver	19,388,000
Winnipe	g	20,475,000
A drop	from \$87,000,000 t	

00 in three years is so great as to trade, particularly those directly connected with building, but it is a matter able to withstand this sharp readjustment and still maintain our prosperity, the very thing we feared we might not be able to do with credit to ourselves.

SUPPLYING OF MUNITIONS.

Few things, except the actual fighting those who are fighting for the liberty of at the front, recruiting, and the financ-

cs, ecia ly Can da's share in that vitally important work. In a general way we know that we have done more than was expected, and have done it better and n ore quickly, but just how much we have done is not known to the general public. I am glad to be able to give a few facts which will at least help us to a better understanding of the matter. The Imperial Munitions Board have given orders in Canada for 22,800,000 shells, having a value of \$282,000,000. If we add to this the orders for cartridge cases, primers, forgings, friction tubes, etc., a total of \$303,000,000 is reached. For this work there had been paid out by the end of the year about \$80,000,-000, and the monthly output is now valued at more than \$30,000,000. There are 422 plants working directly on these orders, and how much employment is indirectly due to them is beyond our skill even to suggest. The work of the War Purchasing Commission is not so easy to sum up. This body does not deal with shells, but it deals with almost every other requirement of the army, and purchases about five thousand different kinds of articles. As the appropriation for the year just past amounted to \$100,000,000, we can form some idea of the importance of its operations, although there are no figures available to show how this has been spent. The pay of officers and men, the cost of all engineering operations and other large items, coming under the direction of the Department of Militia and Defense, are met out of this appropriation. It is estimated that about one million pairs of boots have been purchased at a cost of more than \$3,500,-000. Our woollen and knitting industries have received large orders, larger even than they could conveniently, execute within the specified time. Up to the present al the cloth used for our soldiers' uniforms has been made in Canadian mills, but it is not clear that our mills can continue to fill all our requirements. From figures gathered from various sources, we estimate that the value of the clothing ordered for the use of the Canadian troops since the creation of the Commission in May has been from \$10,000,000 to \$12,000,000, while orders from Great Britain and the cost of clothing the earlier contingents should make the total at least \$20,000 .-006. The British orders in Toronto at the moment amount to nearly \$1,000,-000. The demand for articles made of eather has been very extensive, and while most of the leather used is tanned in Canada, our trade reports record the importation of considerable quantities of hides and leather. Socks have been ordered by a time, and they mills are far behind in their deliveries. equipment, tools, rubber articles, camp, barrack and hospital equipment, etc., but perhaps what I have said will help us to understand that the purchases for the army equipment of Great Britain in times of peace. We have during the year sold in Great Britain canned corned beef to the value of about \$3,300,000. frozen beef about \$6,000,000, and bacon about \$9,000,000. The bacon would have been sold in the British market in any event, but the canned and frozen

cattle	sold (the	latter	mainly	to	France)
1913		1914		1915	
\$27,0	32,000	\$17,61	9,000	\$7	495,000
	38,000	20,67	2,000		651,000
10,4	28,000	4,48	1,000	1	598,000
18,6	21,000	12.16	0.000	1	826 000

),- for army purposes, nor can we estimate the value of the shipments of wheat, affect severely almost every branch of four, oats, hay, etc., attributable to the war, or of the orders for munitions from France and Russia which have been for congratulation that we have been placed in Canada, but if outstanding contracts are filled and the war continues throughout 1916, it seems clear that during 1915 and 1916 there will have been spent in Canada for war supplies considerably more than \$50,000,- being by the war, and particularly the 000. You may be interested to know something regarding the Bank's part in this work. We have as customers 22 of the world, and for this, in addition to ing of the war, have interested us more the largest shell-makers, 20 makers of hazards of war have not only seriously

than the supplying of munitions, and clothing and of leather goods, eight of the largest suppliers of provisions, besides many who supply other classes of munitions. Including the farmers, the number and variety of people among our customers who benefit by the supplying of munitions is beyond calculation. have learned in meeting the sudden demard upon our industrial capacity to do many things which should count in our future. We have learned to shift our machinery rapidly to new uses, to make objects of a more complicated character which allow less margin for bad workmanship, to smelt copper, lead and zinc; indeed, to do many things which before the war did not seem possible in the present stage of our development.

READY FOR THE FUTURE.

In a new country like Canada, it is as natural to try and forecast the future as it is to breathe. Without such a form of enjoyment like would often be unbearable. Every day, however, since the war began, has shown us how unable we are with our previous narrow experience, to look ahead even for a month. We are living amid events so tremendous that it is our duty to be steadfast and ready for any new turn in the kaleidoscope of fate, and not to waste time in guesses regarding peace and the aftermath of the war; still, there are some important questions which press upon minds whenever the strain of the war lessens for a moment. When the war ends and orders for munitions cease, throwing many out of employment, when the Canadian soldiers begin to come home, and the discharged soldiers of the Allies follow them to this land of opportunity, with many others who wish to forget the horrors of Europe, how shall we find ourselves prepared for them? We shall probably have been enriched in some respects by the war, and the demands upon our industries are likely to increase, although not to the extent which will absorb their full output for some time to come. In any event, we shall probably not be so much engaged in building for the future as endeavoring to turn our products which will justify what we have already done. We shall therefore hope that our soldiers, and our immigrants will turn to the land far more generally than have the immigrants of the last ten years. As Canada is the last great area with unplowed lands in the temperate zone, and under a Democratic Government, and as the returning soldiers will, as a rule, wish for outdoor work, we may hope that they will very generally become farmers. If so, should we not, despite the overwork incidental to the war, be preparing for a great settlement on the land?

The shareholders of the Bank were also addressed by the General Manager, Mr. I cannot more than refer to such items John Aire. His remarks dealt princias rifies and small ammunition, telephone pally with the business of the Bank during the year.

GENERAL MANAGER'S ADDRESS.

The statement presented to you to-day the Canadian army at the moment are is a striking illustration of our policy almost as great as those required for during the year. The net profits amounted to \$2,852,085, or 8.25 per cent., upon the moneys which belong to the shareholders of the Bank, that is, upon the total of the paid-up Capital and Rest. We have, as usual, appropriated \$80,000 for the Officers' Pension Fund, and after paying the war tax of 1 per cent. upon our note circulation, beef represents new trade. We cannot amounting to \$122,906, subscribing ascertain the number of horses or of live \$5,000 to the British Red Cross Fund, and reserving as a special appropriation the sum of \$1,000,000 against possible further depreciation in the values of the stocks, bonds and similar securities owned by the Bank, we have been able to carry forward \$461,892 at the credit of Profit and Loss Account.

AN ADDITIONAL PRECAUTION.

It is the time-honored custom and wise precaution of every general manager of a Canadian bank upon first assuming the responsibilities of his position to assure himself that each individual asset of his bank represents the value assigned to it in its books and published statements. Upon undertaking this important duty, I found that the conditions brought into restrictions placed upon the leading security markets of the world, had made the task one of unusual difficulty. The