owners.

peen made for depreciation in

branches now number 374 in all.

although sufficient staff.

Success of War Loan

conomic history of Canada,

rived at.

The Bank's Taxation

should be better informed, that

Municipal, over 27 per cent.

clusive of the special war taxes,

Officers on Military Duty

Stenographers

Messengers

2828, made up as follows:

businesses in which the propor

The members of the staff numbe

a' figures in connection with only a

few of the other banks and corpor

tions, but we have yet to learn of

anything which approaches the sac-

to make either in extent or in the pro-portion of the figures. We have made

many sacrifices in order to allow offi-

cers to take up military duty without

delay, and have placed no restrictions in the way of their doing so, altho this

policy has resulted in our losing the

services of those officers whose spe-cial training made it difficult for us

to replace them. In this connection

Twenty-five of our officers have al-

appeared in the casualty lists. When

sentations have been made by

panks.

rifice which we have been called upon

banks do not bear their just share

of taxation. During the year we paid

t a cost of mo woolen and kni

eived large ord

use of the

and the cost

contingents sho least \$20,000,000

to nearly for articles

nost of the leath Canada, our tr

en ordered by

nmunition, te

nd hospital equal what I have

nadian army at as great as th

of peace. We do in Great beef to the val frozen beef an about \$9,000 ave been sold

any event, beef repres

of live catt

for munitions which have

shout 1916, it is g 1915 and 1916 spent in Canada derably more that hay be interested regarding the B

We have as argest shell making and of leather

t suppliers of p who supply oth . Including the

r and variet

We have learn

to do

to shift our

nargin for bad

leady for the F

In a new country l

s it is to breathe.

orm of enjoyment inbearable. Every of

we are, with or

th. We are liv

tremendous that scadfast and ready the kaleidoscope

ate kalerdoscope aste time in guess nd the aftermath were are some in hich press upon o he strain of the wa sont. When the w

unitions ce

of employment, tiers begin to co

charged soldiers them to this l

h many others horrors of Eu ourselves prep il probably has

ne respects by the respects by the respect by the respect to the r

ome time to come their probably not d in building for t

to turn

ur soldiers and

han have the im

ten years. As C

ratic governming soldiers out-door wor

y will very go

overwork inci-

paring for a land?

gration

e have learne riminate imm

not yet Cana loyalty to the

se we shall

value of each

e material protein in many c

the Pacific,

I we can, we s

to assure the sits institutions,

nake this cov

while than if we

portunity. To

must organize land at fair price

its return will

sonable rent cha

in the same m long as the that he is makin

him somewhat who has not for

am sure that

he helped, so as the majority of pay in some sli

hose without we and our for

whose grant t they were ght in the gr

the temperate zo

Justify what. We shall,

to the land

ital equi

has been fro

mills, but

WED

The Canadian Bank of Commerce

REPORT OF THE PROCEEDINGS

THE ANNUAL MEETING OF SHAREHOLDERS Tuesday, 11th January, 1916

The forty-ninth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held yesterday."

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. Edward Cronyn and J. E. L. Pangman were appointed scrutineers. The President called upon the Secretary to read the Annual Report of the Directors, as follows:

The Directors beg to present to the Shareholders the forty-ninth Annua Report, for the year ending 20th November, 1915, together with the usual statement of Assets and Liabilities: The balance at credit of Profit and Loss Account brought forward

from last year was \$1,117,768 27 The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to 2,352,035 95 \$3,469,799 22

This has been appropriated as follows: Dividends Nos. 112, 113, 114 and 115, at 10 per cent. per annum.. \$1,500,000 00 Bonus of one per cent. payable 1st June 150,000 00 Bonus of one per cent. payable 1st December Reserved against further depreciation in value of securities held War tax on bank-note circulation to 30th November 122,906 97 Transferred to Pension Fund (annual contribution) 80,000 00 Subscription to British Red Cross Society 5.000 00 Balance carried forward 461,892 25

In accordance with our customary practice, the assets of the Bank have been carefully re-valued and full provision made for all bad and doubtful debts. During the year the Bank opened the following new branches in Ontario: Emo, Ford and Wychwood (Toronto). A sub-agency of the Windsor, N.S. branch was opened at Hantsport, N.S. The following branches have been closed: In British Columbia: Alma Road (Vancouver), Pandora and Cook (Vicin Alberta: Grouard and Mirror; in Saskatchewan: Readlyn; in On-Port McNicoll; in Quebec: Nicolet. The branches at Monarch, Alta. and Laird, Sask., have been closed since the end of the year.

Your Directors deeply regret to record the loss by death during the year of one of their colleagues, the late General Manager, Mr. Alexander Laird.

Although a member of the Board only since 1911, Mr. Laird had served the Bank in many capacities for nearly forty years, becoming General Manager in 1907. and retiring only a few months ago. He had an international reputation as a banker and expert in foreign exchange, and his death is an irreparable loss to the Bank and to the whole community.

During the year the audit required by Section 56 of the Bank Act has been made by the Auditors appointed at the last Annual Meeting, in addition to the inspection of the branches and agencies of the Bank in Canada, the United States, Great Britain and Newfoundland, and of the departments of the

Head Office by the staff of our own Inspection Department. Your Directors again desire to express their appreciation of the efficiency and zeal displayed by the officers of the Bank in the performance of their

respective duties. JOHN AIRD,

General Manager. Toronto, 31st December, 1915. B. E. WALKER,

GENERAL STATEMENT 30th NOVEMBER, 1915

	16.75					
*		IA	P	11	T	ES.
			1-1		38.50	20

	LIABILITIES.	1	
	Notes of the Bank in circulation	inne to the	N.
		194,523,078	
	Balances due to other Banks in Canada	751,376	67
	than in Canada	6,300,029	77
	Bills payable	1,501,442	90
	Acceptances under Letters of Credit	1,458,398	64
		\$220.932,234	22
	Dividends unpaid	2,713	55
	Dividend No. 115 and bonus, payable 1st December	525,000	0,0
B	Capital Paid up \$ 15,000,000 00	14.1	
d	Rest Account 13,500,000 00		
	Salance of Profits as per Profit and Loss Account 461,892 25	1 (4)	
		10 004 000	0=

0
, 0
-
3 4
1
9 4

Municipal Securities Railway and other Bonds, Debentures and Stocks, not exceed-Bonds, Debentures and Stocks /..... Call and Short Loans (not exceeding 30 days) elsewhere than Circulation Fund

Other Current Loans and Discounts in Canada (less rebate of Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) Liabilities of Customers under Letters of Credit, as per contra...

Overdue Dabts (estimated loss provided for)

Real Estate other than Bank Premises (including Less mortgage assumed

Mortgages on Real Estate sold by the Bank . Bank Premises at cost, less amounts written off. \$ 5.039,623 55 Less mortgage assumed on property pur-Others Assets not included in the foregoing

B. E. WALKER, JOHN AIRD.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE

CANADIAN BANK OF COMMERCE. In accordance with the provisions of Sub-Sections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows: the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books \$7,935,233, or over 37 per cent. in the and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required.

and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank. We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1915, and

found that they were in agreement with the entries in the books of the Bank

In our opinion the Balance Sheet is properly drawn up so as to exhibit a and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us, and as shown by the

of Webb, Read, Hegan, Callingham & Co. JAMES MARWICK, C.A., of Marwick, Mitchell, Peat & Co. Doronto, 17th December, 1915.

Before moving the adoption of the report the President asked the Genduring the year. In return for the immense labor and heavy responsibility involved in handling this huge sum eral Manager to address the share-

General Manager's Address

The statement presented to you to-day is a striking illustration of our policy during the year. The net pro-fits amounted to \$2,352,035, 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. This is a decrease of \$316.197 from the figures of the preceding financial year, but under the conditions which have prevailed the conditions which have prevailed the conditions which have prevailed the total conditions which have prevailed the conditions which have the conditions which have the condi since we last met, we trust that you will consider the result satisfactory, especially as we have been able to continue the payment of the usual dividend of 10 per cent, per annum and of two semi-annual bonuses of 1 per cent, each, a total of 12 per cent. We have, as usual, apppropriated \$80,000 for the Officers' Pension Fund. and after paying the war tax of 1 per cent. upon our note circulation, amounting to \$122,906, subscribing \$5,000 to the British Red Cross Fund and reserving as a special appropria-tion 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 Ac-

An Additional Precaution

It is the time-honored custom and wise precaution of every general manof a Canadian bank upon first ming the responsibilities of his ager of a Canadian to himself that each individual asset of his bank represents the value assigned to it in its books and published statements. Upon un dertaking this important duty. I found that the conditions brought into being by the war, and particularly the restrictions placed upon the leading security markets of the world, had made the task one of unusual diffi-culty. The hazards of war have not only seriously lowered the prices of all securities, but they have introduced an element of doubt into existing values which it is difficult to allow for in dollars and cents. As a matter of additional precaution, therefore, we have taken the step of reserving out of Profit and Loss Account, as a special provision against these tingencies, the sum of \$1,000,000. After the war has been successfully prosecuted to a close, it is probable that some, if not all, of this amount will come back sooner or later into profits.

No Unnecessary Expenditures Our Bank Premises Account as well as the accounts of Real Estate owned

and Mortgages held, remain practically stationary, the generally unsettled condition of affairs not having warranted our undertaking any ex-penditure on new premises which did not appear to be absolutely necessary. The small increase of \$52,631 shows in Premises Account represents purchases of promising locations new branches and of permanent sites for long established branches, such as Belleville and Parkhill, and for others, the business of which will eventually warrant the erection of a permanent building. We dealt with this matter fully in our report of last year, and for the reason therein set out we feel that no further appropriation is necessary, the figures shown in our balance sheet being well below the limit of 50 per cent, of the actual

policy with value, as has been our respect to this particular asset.

The note circulation stands in the balance sheet at \$16,397,907, an crease of \$1,455,350 as compared with the figures of a year ago and only a few thousand dollars short of the record figures of 1912. This is due to the demands made upon us for movthe demands made upon us for mov-ing the large grain crops of the coun-The issue of notes in excess of the paid-up capital of the Bank under the emergency provision of the Bank Act began on October 16th, and the movement reached its height for the time being on November 20th, at which date the circulation stood at \$17.084,-598. The lowest level recorded during the year was reached in the month of The deposits of the Bank show a satisfactory increase distributed under every heading, the total increase being slightly over \$13,000,000. Bills Payable again show a considerable decrease, the figures being \$1,501.442 as 0.421,840 02 against \$3,924.151 a year ago, or a derease of \$2,422,708, due largely to the effect of the war upon our foreign exchange business and to the unsatisfactory conditions which have pre-

9,901,993 47 vailed in the exchange markets during the year. Strong Cash Reserves

In view of the general situation we have thought it prudent to keep strong in cash reserves, particularly in gold 5,850,039 46 the medium for the settlement of ternational obligations, and that it 1.923,576 27 might be the more readily available for such purposes we have carried an unusually large proportion of our 9,613,178 80 noldings at points outside of Canada.
Our total holdings of coin and legals are \$39,901,993. If to this amount we 12,847,521 37 add the balances due us by other banks and correspondents, our holdings, of government and municipal bonds and stocks, and call and short loans, our liquid assets amount to \$101.173,357, or 47.62 per cent. of our liabilities to the

130,893,064 62

Current Loans Increase Total Current Loans show an increase of \$2,037.254, more than ac-10,027,802 39 counted for by an increase of \$3.704,-1.458.398 64 464 in Call and Short Loans due to the policy of keeping our assets in the most liquid shape possible during th unstable conditions which are the outcome of the war. The fact that our loans show an increase despite the 1,164,083 21 shrinkage which has taken place in general business bears witness to our earnest efforts to assist the business community to the utmost of our abi-lity consistent with prudence, and should be sufficient answer to those persons who assert in the press and on the public platform that the banks have failed to provide

the necessary financial assistance for the commerce of the country. There are some who go further, and by quoting the figures of Canadian bank de-posits without setting alongside these figures those of the loans, mislead the public and cause them to look upor the banks as enemies to the public welfare. To all such I say, the figures of our balance sheet are sufficient an-There has been a reduction of total securities held, occurring principally in those classed as railway and other bonds, debentures and stocks. In view of the extent to which we have been, and are still likely to be, called upon to assist in the various measures taken to finance the war, it seemed wise to take every reasonable opportunity of realizing upon our holdings Total assets show an of securities

considered very satisfactory growth under the conditions which have pre-Ti royer of \$15,000,000,000

increase of \$5,057,441, which may be

von no.35 ment by decreasing our age we handle every dollar of our assets over 60 times a year, so that the figures at which they stand indicate whose every instinct calls on them to was due to a tremendous contraction that is a feet of the Department of the De

a turnover of fifteen billions of dollars In return for the

We have recently taken the forward step of issuing a Monthly Commercial Before passing on to deal with other matters, I should like to refer briefly step of issuing a Monthly Commercial co our policy in the matter of dividends. Letter dealing with conditions of trade and commerce at home and abroad, the annual meeting in 1914 the cope was expressed that we should be and pointing out when possible and pointing out when possible the able to maintain payments upon the tasks which has been adopted during the last two years. At this time there was, of course, no European war in prospect, and while it will be our pared by competent authorities we parest effort to maintain the earning arrower of the Bunk upon a level which commend it to the careful perusal of We shall be glad to send it on applibower of the Bank upon a level which will render possible a continuation of the present rate of distribution, it is now on our mailing list.

well to remember that the end of the We also desire to draw attention to war is not yet in sight, and that no one can predict what changes it may the very copious and authentic por-trayal of the conditions which have bring when it does come. Our policy, therefore, during present conditions will be based upon weightier considerations than the mere earning of dividends, and in this I am sure that we shall have your hearty support prevailed in the various parts of Can-ada, Great Britain and in the foreign countries where this Bank does business, which is given in the Review of shall have your hearty support.

Our shareholders number 194 more than a year ago, a moderate increase, but one which reflects a movement in the direction of distributing the stock that a year ago, which is in the increase.

Optimistic as to Future Business Conditions for 1915, of which

over a wider area, which is in the in-terests of both the Bank and its stock-With regard to the future, our view on the whole cannot but be optimistic. As stated last year, the business of Thanks to the ability of our public our City of Mexico branch has been men to cope with an unprecedented ably managed, and on the whole it has situation, and the determination of our been profitable. We have made no people to effect personal and public economies, we have been able to bring losses, and our loans have either been about a most amazing adjustment iquidated or fully provided for. The from the prosperous enjoyment of an capital necessary for our operations has been supplied entirely by our loflow of borrowed capita to a condition of severe trade cal deposits. Full provision has also the traction. Our harvests have been value of such Mexican securities as bountiful, our cultivated acreage been increased, and our factories have remain on our books. Our standing peen entrusted with large contracts in Mexico is particularly high, and the for army equipment, munitions and foodstuffs, While this terrible war foundations have been laid for a large and prosperous business when that must bring us much anguish and sorcountry returns to settled conditions. row, it is clear that in proportion to In the meantime we are holding the ground with a considerably reduced, her population no country will benefit economically to a greater degree than Canada.

In the opening of new branches The Late General Manager there has been little done during the I cannot close these remarks withyear, due principally to the inactivity

of general business, especially during the earlier months. We have continued the policy of closing branches which did not prove profitable after a not only to the high esteem in which business talents were held, but fair trial, with the net result that our his also to that strong note of perso affection which his human qualities evoked in all those who knew him. As indicated in our remarks on the Fully charged though his mind was figures of the balance sheet, we have with other matters appertaining joined with the other banks in subthe interests of the Bank, the subject scribing for our proportion of the \$25,- of the staff was always uppermost in 00,000 of the Canadian 5 per cent. his thoughts, and he was War Loan, taken by the banks in order first to evidence gratification in their to ensure the success of the issue. The success, sympathy in their misforexact amount of our subscription was tunes and leniency towards their \$3,426,000, and in this connection I am shortcomings. In him the Bank has sure that the success of our able Finance Minister, Sir Thomas White, in and the staff, particularly, a great obtaining through this domestic loan the sum of \$100,000,000 or twice the

The President then said: PRESIDENT'S ADDRESS.

sum asked for, must be a source of pride to every Canadian. The loan The Directors have referred in their eport to the death of our late General marks a notable turning-point in the Manager, and Mr. Aird has just In addition, this Bank has particispoken of him with the warmest pated in the various British war loans preciation. I knew him longer than nost of his associates-indeed, and other measures adopted to finance the war, and has subscribed \$250,000 worked together over thirty-five years to the French 5 per cent. War Loan ago-and I have lost not merely just floated. We also placed at the ousiness friend, but one for whom I disposal of our Italian Allies the facili- cherished the deepest affection.

ties of this Bank and its branches for We have been told many times durada might desire to make to the 5 per the history of the world and that we cent. War Loan of their native counshall emerge with a greater assurance try. Not do these various contribution of liberty and of all that accompanies tions constitute the whole of our share a progress based upon our natural of the financial burden of the war. Of rights, or that we shall fail—a conthe special taxation imposed by the cition too black for contemplation. Dominion Government as a result of Within this vast march of history, the war, our share has so far amount- affecting every civilization on ed to over \$160,000, apart altogether globe, lies the narrower march of our from additional real estate and other own affairs in Canada. We think so taxes imposed for the same purpose, much about the war that Canada as he amount of which is not readily ar- an entity is generally forgotten in the larger scope of Imperial affairs, but it is our special business today to review the position of Canada, and to There is an impression abroad which withdraw our attention from the war oppears to exist even among many who sufficiently to study the course of our own history, as only by understand-ing this shall we be able to act with

courage and wisdom in the present n taxes. Dominion. Provincial and emergency. Canada's War-Time Position our net profits or, to make the

When in 1913 we came to the end statement in more concrete form, inof a period of expansion we found ourselves like a healthy but overpaid no less than six hundred and fifourselves like a healthy t; thousand dollars in taxes. These figures surely show that this bank bears at least its fair share of taxagrown youth, still dependent upon the millions of securities in order to tion; probably there are not many 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 de creased 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 in addition to which we have 369 tent of over 144 millions. For the six janitors, making a total of 3197 pernonths ending September, 1915, there is a further improvement of 80 milsons permanently employed by the Bank. The number of officers who had iions as compared with the previous year, but this same half year, when taken up military duty at December 21st was 748, representing 29 per cent. compared with the corresponding period in 1914, shows an improvement of our staff, 30 per cent, of our male staff, and over 34 per cent, of those of

ed a year ago, coin and bullion are military age, that is, from 18 to 45 years of age. We have seen the actuleft out of our totals. International Position

The following figures will illustrate the astonishing change in our inter-

of 109 millions. For reasons explain

national posi	tion:	
	Imports.	Exports.
1913	.\$686,515,536	\$377,068,355
1914	635,383,222	455.437.224
1915	. 497,376,961	461.442,509
6 months	. 228,335,678	273,377,082
. 1	Excess	Excess
	Imports.	Exports.
1913	\$309,447,181	
1914	. 179,945,998	
1915	35.934.452	

it is interesting to note that repre-Clearing House banks in London. England, to the effect that certain being regarded as indispensable for the carrying on of the work in the ready laid down their lives on the battlefield and a further 50 to 60 have the war is over it is our intention to erect a suitable tablet or some other form of permanent memorial to these brave and loyal young men. We have lies of those who have laid down their safer conditions. If any one had sug-gested that we could so adjust matin a general way our regret at their loss and our appreciation of the fact that the members of the staff of this ters within three years as to have a Bank are made of such stuff that they balance would be large enough to off- exceeded 100 millions. can be counted upon to do their duty no matter in what form that duty may be presented to them. In this, of

enlist, but who through the calls of in the business of all trades requiring family or business duty honestly fee! such imports on the one hand, and on that their place is still at home. Theirs is in many ways the harder part and ports of the products of agricultur we have earned slightly more than one and a half cents on every hundred dollars.

Their reward can only be in their own and of the mine, which was a little consciousness that "They also serve who only stand and wait."

Who only stand and wait." shows in an almost unbroken line articles, the exceptions being mainly in such materials as jute cloth, bides, leather, dyes, rubber needed ! the manufacture of munitions, and a out \$3,000.000 in value of articles

for the use of the army and navy. Exports Increase

The improvement of 109 millions i the first six months of the present fircal year, that is, down to September last, is caused by a decrease in imports of 52 millions and an increase in exports of 57 millions. The exports show handsome increases, especially in manufactured munitions of war, but they still suffer from the effects of the poor crops of 1914, and there is an actual decline of 12 millions in agricultural products. The decrease in imports is again general, but an in-creased quantity of binder twine was mported on account of the unusually large crops of the season, and there were large increases in raw material eeded for the manufacture of munions and in manufactured articles ntended for the use of the army and navy, the latter amounting in value to nillion dollars during the half-year.

I have gone thus fully into these has responded so well that his place natters in order to indicate what we may expect now that we have the anglest crop on record for export, and influence in the greatest empire in the have, perhaps, reached a normal out-put of all kinds of munitions, such as codstuffs, clything, saddlery, shells, sign of such an end as we must attain rifles, etc., while our imports consist

Credit Strengthened

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 hem in the United States which, when we consider the enormous crease in wealth taking place in that other, country at the moment, we may well ope is not of a temporary character. During the past year, leaving out the last half of December, the sales of Canadian securities at home and abroad amounted to about 335 millions. This includes nearly 220 millions of Government securities and many sales of Canada we weaken our national of other securities which are practi-cally refunding operations. The sales were divided as follows:

In Great Britain, most-ly for refunding pur-

\$335,700,000 The Canadian figures are increased by the Dominion loan of 100 millions, very little of which has yet been paid

to the Government. The sales of municipal bonds, at one time during the year the matter of chief concern to those interested in Canadian securities, amounted to about 64 millions, divided almost equally between the United States and

The power of the United States to lend, when we remember that the gold of the war for the protection of our pool of 100 millions established to protect her own credit with foreign some of the moratorium legislation by countries was dissolved only in Januthe purpose of accepting any subscriping the past year that we are passing ary last, is one of the surprises of the through the most fateful moment in war, but we must also remember that this power to lend will be sharply tested as the war proceeds. A rough estimate of the amount of securities that the sum of at least 800 million dollars has already been placed directly at the credit of the Allies, while the indirect credits and the contracts outstanding are beyond our calculation. Large loans have also been made to neutral countries, and something

has been lent even to Germany. Our Products in Demand

lock-up of capital, has stopped for the moment; individuals are buying less extravagantly, even if there is not sufficient effort to economize; every-body 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 in 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 those who are fighting for the liberty of the world, and for this, in addition to 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. A year ago we were greatly pleased because Great Britain had undertaken to lend us for the moment the money with which to pay for our share of the war. By midsummer the Dominion Government also needed money for other exhad been disorganized penditures. war and many vorks could not be closed down. Accordingly a loan of 45 millions was obtained in New York last July, and this was a happy accomplishment for the following reasons: London was ill-prepared to bear any load not absolutely necessary, and Australia needed help which could not be obtained elsewhere: New York was the only market well supplied with and es ecially Canada's share in that money, and it is in any event the point where our international settlements are mostly made; this was our first Government loan in the United States and the new market was desirable. Apart from these reasons, the value in New York, and therefore, in Canada of the pound sterling in Lon-

....... \$45,041,404 don had by this time fallen so low that In order to estimate our true position, we must add to the excess of imports the interest due upon Canadian by Great Britain. We have, of course, securities held abroad new artimates. classes of trained officers should not be called upon for military service, at about 140 to 150 millions, and we it is probable that from about this may court upon any excess of exports time the Dominion Government ceased as available to pay this interest. Dur- to use the funds put at their disposal manion 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 abroat. In 1913 we knew that we had used ing the last half of the present Do-by the British Treasury for war ex-minion fiscal year the effect of the penses and very soon the possibility at more than \$30.000,000. There are In 1912 we knew that we had used our credit to the available limit, but in our history, in volume and in value, does not deal with we hoped gradually to move into and are doing it with our usual ma- it deals with almost every other of the state of the foreign exchanges chases about five thousand different and the scarcity of tonnage, yet, when credit balance in our foreign trade, in-stead of a debit, and that this credit fered in November the subscriptions \$100.000,000, we can form some idea

Munitions Credit

Concurrently with the discussion of

I s we must to some cutout give ere- of the Department of Militia and De-

the cost as the United States is able to do, because we are ourselves bearing the cost of war and because we have so little accumulated wealth which to draw, but to some extent as yet unascertained we shall doubtless have to take treasury or other sur. ernment securities in order to tate such purchases. Therefore, in view of the great success of our mestic war loan, the Minister of Finance, with the unanimous rence of the country, accepted sub scriptions for 100 millions, instead of 50 millions, with the intention of using temporarily the additional sum thus secured to finance the payments for munitions on behalf of the Allie

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 war. If we cannot fight should help in the countless other ways, that are open to us. smiled on our efforts, and we have been blessed with the greatest crops ever known in any new country. This has 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 has responded so well that his pl among the younger nations and his if we are to follow our natural course mainly of the necessary raw materials, in peace. We cannot afford to relax our energies for a moment; such ef-forts as we made in 1915 should be in-This demonstration of what we can accomplish under pressure has, of course, greatly strengthened the credit course, greatly strengthened the credit deptal to the way. I notice that dental to the war. I notice that when some citizen takes the trouble to indi cate particular forms of economy he is met with criticism. Of course, economy for one man be a great indulgence for other, and each must settle for himself the scale on which he can lessen his expenditure. We are ex-ceedingly fortunate that such an income tax as that in Great Britain does not settle the question most drastic for each of us. It must be clear that every time we buy something outsid finances, unless our 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 banks have now es-

tablished them. A year ago we described at length he various arrangements made by the Minister of Finance at the beginn provincial governments. power to do certain things, if necescessity from arising, and only a very moderate use has been made of the inance Minister's wise provisions. As o moratorium legislation in the proinces, to the extent to which it need has already passed, and while the provisions affecting the power to foreclose where there is no default ex-cept as to principal will doubtless be etained, many of the other features will, we hope, soon be repealed.

Clearing House Returns

In Canada the building of almost all private or public works, causing a further decline from \$8.074.978.000 in lock-up of capital, has stopped for the second in the lock-up of capital, has stopped for the second in the second per cent for the year just closed. In all western cities the decline is very all western cities the decline is very marked except in Winnipeg and Brandon, where the figures increase. In the East there is a moderate decrease in Toronto. Montreal is almost unchanged, and at four other points there are increases.

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:-Montreal \$19,642,000 \$27.082.000

Toronto 27,401,000 Vancouver .. 19,388,000 27,038,000 10,423,000 Winnipeg 20,475,000 1915 Montreal \$17.619,000 Toronto 20,672,000 Vancouver 4,484,000 Winning 12,160,000 Winnipeg A drop from \$87,000,000 to \$17.500,-

000 in three years is so great as to affect severely almost every branch of trade, particularly those directly connected with building, but it is a mathematical particular that it is a mathematical particular that it is a mathematical particular that the particular ter for congratulation that we have been able to withstand this sharp reprosperity, the very thing we feared we might not be able to do with credit to ourselves. adjustment and still maintain to ourselves. Supplying of Munition

Few things, except the actual fighting at the front, recruiting and the finan ing of the war, have interested us vitally important work. In a general way we know that we have done more than was expected, and have done it better and more quickly, but just how much we have done is not the general public. I am glad to able to give a few facts which at least help us to a better under standing of the matter. The Imperia 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, kinds of articles. As the appropriat

of the importance of its operations, although there are no figures available to show how this has been spent. The pay of officers, and mep.

(Continued on Page 11)