WHAT THE PROPHETS OVERLOOKED

Twenty-four Favorable Factors Not Included Among the Doleful Predictions of a Year Ago

A close analysis of the situation in Canada, after twelve months of war, reveals a large number of favorable factors which may be briefly summarized as follows:—

1. Comparative ease in national financing operations.

War loans being advanced $10,000,000 monthly by Imperial government. Loans of $100,000,000 received in this way to date. Dominion loan of $25,000,000 for public works over-subscribed in London. Dominion loan of $45,000,000 in New York three times over-subscribed. War taxes maintaining national revenue fairly well.

2. Change, without difficulty, from British to United States loan market.

Last year, Great Britain purchased 74.24 per cent. of Canada's bonds and the United States 19.77. This year, to date, with London market closed, United States has bought 59.65 per cent. and Great Britain 24 per cent.

3. Heavy accumulation of savings.

Despite British treasury regulations applications for capital for first four months 1915 totalled £65,910,000. Canadian bank deposits for March were $1,016,390,076, the first March on record exceeding a billion dollars. These deposits have exceeded a billion every month since February.

4. Good money outlook.

Money should be easy after the war despite call for war loans, with a tendency for rates to harden.

5. Desirable economy (individual, municipal, corporation and government).

This is in evidence every day and is an excellent factor, if not carried to excess.

6. Tendency towards sound investments.

The manner in which high-class securities are being absorbed, is testimony to the strength of this factor.

7. Lack of wild speculation.

There is an almost complete absence at present of any desire to engage in high finance or in very speculative enterprises.

8. More favorable trade balance.

During the fiscal year ended March, 1915, an unfavorable trade balance of $162,000,000 has been changed to a favorable balance of $6,000,000.

9. Increase in exports.

Exports of merchandise increased $6,000,000 during the latest fiscal year and are showing continued gains.

10. Benefits of war orders.

War orders valued at $394,000,000 have been placed in Canada, greatly stimulating industrial and general activity.

11. Development of new trade channels.

Exports are finding their way to new fields and preparations are being made for a more extensive export trade after the war.

12. Fairly good labor situation.

There is an absence of strikes, a fairly good movement from urban to rural districts, and an easing of the unemployment situation through enlistment, etc.

13. Increasing immigration of good type.

Since the outbreak of war more than 30,000 settlers have come to Canada from the United States, bringing with them approximately $25,000,000 in cash and settlers' effects. There have also been over 12,000 British and 3,700 continental arrivals.

14. Excellent crop outlook.

Early crop reports are very satisfactory. There is an increase in Western acreage of from 15 to 20 per cent. Prices are likely to be high. Last year, the field crops brought $638,580,300 to Canada.

15. High prices for agricultural products.

Good prices prevail for agricultural products and the outlook for this year's crop is that prices will be equally as high, if not higher.

16. Improvement of marketing methods.

Methods of marketing are being improved to give the grower and consumer better prices and to avoid waste of products.

17. Encouragement of more production.

The advocacy of a policy of more production has been followed pretty generally and the fact will be reflected in the figures of production for the current year.

18. Fairly large expenditures on public and other works.

Approximately $150,000,000 is being spent in Canada this year on railroad construction, public works, canals, municipal improvements, good roads and other enterprises.

19. Strong banking position.

The banking position is one of the strongest in Canada's financial history.

20. Healthy liquidation generally.

For more than two years a general liquidation has been proceeding, which will help to bring very sound conditions throughout the country in the near future.

21. Tendency to discard long credit.

Very long credit is not in favor. Short credit or cash terms are coming into more general use, which is a good thing for business.

22. Special taxes meeting loss of revenue.

Satisfactory collections of war taxes are being made by inland revenue department. Increased revenue from postage stamp taxes is also gratifying. Decrease in inland revenue for March and April, compared with last year's figures, is only $42,000.

23. Bank clearings and railroad earnings compare well with normal years.

Bank clearings for first four months of 1915 are $99,000,000 larger than corresponding period of 1911. Railroad earnings are only $1,500,000 less than they were during the first four months of 1911.

24. Mortgage payments generally satisfactory.

Mortgage payments, both principal and interest, are reported as fairly satisfactory throughout the country.

MONTHLY RAILROAD RETURNS

The Canadian Northern Railway figures for June were as follows:—

	1915.	1914.	Increase or decrease.
Gross earnings	$1,201,300	$1,655,300	— $454,000
Expenses	866,000	1,192,000	— 326,000
Net earnings	335,300	463,300	— 128,000
Mileage in operation	4,965	4,670	+ 295

	Fiscal year, 1915.	Fiscal year, 1914.	Decrease.
Gross earnings	$17,225,600	$22,700,700	$5,475,100
Expenses	12,396,900	16,349,000	3,952,100
Net earnings	4,828,700	6,351,700	1,523,000

The Canadian Pacific Railway's June figures were:—Gross earnings, $7,512,034; working expenses, $4,834,003; net profits, $2,678,031.

For 12 months ended June 30, the totals are:—Gross earnings, $98,865,210; working expenses, $65,290,583; net profits, $33,574,627.