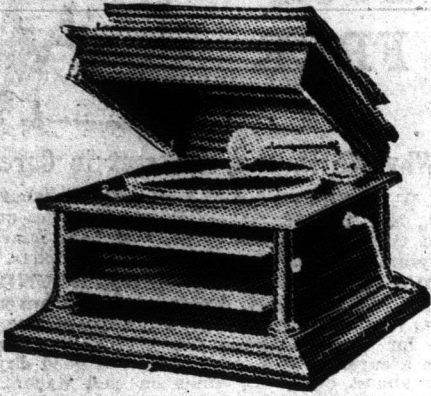


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8143

we have come through a time of difficulty
in a most creditable manner, and we can
look forward to the future cheerfully if
the spirit of prudence which now char-
acterizes our people remains unchanged
at least until another good crop has been
marketed. Much of that part of our ex-
pansion which went too far reminds one
of the diseases through which the young
have to pass. We are doubtless glad if
they escape them entirely, but we have
no reason to expect that they will be so
fortunate. Some undue speculation in
real estate, and some over-building in
connection with public improvements, is
inevitable amidst such astonishing growth
and prosperity, and it would be foolish
to expect anything else. We are now
realizing more accurately the value of
real estate and through the process we
are gaining an experience which is
absolutely necessary to the founda-
tions of a sound prosperity. The
Western country as a whole will not
again have to suffer from this particular
ailment of young communities. We have
repeatedly deplored the fettering of the
country by the high rent-charge which
inflated real estate values impose, and
the unfortunate effect of such a rent-
charge on the cost of living, and if there
is now to be a pause in the upward move-
ment of values, there will in any event
be a corresponding gain to all landless
people.

Immigration has not yet been much
checked by the curtailment of industry;
indeed, except from the United States,
there has been a large increase during
the year. The British immigrants exceed
in number the combined total of those
from Europe and Asia and very much ex-
ceed those from the United States. The
largest increase as compared with the
figures of previous years, however, is in
the division which includes all countries
except Great Britain and the United
States. Here the increase, December
figures being estimated, is 32 per cent.
From Great Britain the increase is 8 per
cent., while from the United States there
has been a decrease of 17 per cent. There
is thus a total increase of 6 per cent., as
against 13 per cent. in the previous year.
The total number of immigrants, Decem-
ber figures again being estimated, was
417,709, as compared with 395,804, the
revised figures for 1912. The total for
1913 is made up as follows: British, 156,
873, United States, 115,805, all other
countries, 145,031. These figures are
again eloquent in explaining the con-
ditions of our foreign trade, the total of
which for the year ending March,
1913, passed the billion mark for the first
time, being \$1,085,175,000. The imports
were valued at \$691,943,000 and the ex-
ports at \$393,232,000, showing the largest
excess of imports we have ever had,
namely, \$298,711,000. In the six months
of the current fiscal year ending Sep-
tember, the complete figures for which
have been published, there is some im-
provement in the proportion of exports
to imports, and since September a great-
er improvement has taken place. As to
our exports we are glad to report an in-
crease during this period in every group,
while there has been a decrease in many
of the classes of imports.

We again draw attention to the large
proportion of our imports which consists
of iron and steel in various forms, not
only as raw materials, but as manufac-
tured goods. The total value is about
\$140,000,000. May we once more point
out that in the main these are articles
used in building or in equipping the
country for its future, and that such pur-
chases differ in effect from the import of
foodstuffs and other rapidly perishing
objects? At the same time we regret
that the greater part of these iron and
steel goods is not made in Canada now,
as certainly will be the case in time. To
the extent of which, by making these
goods in Canada, we could have lessened
the debt represented by the securities we
have sold to pay for the difference be-
tween imports and exports, we have bur-
dened ourselves for a long time to come.
Of course, while workmen are busily en-
gaged in other things, as they have been
in Canada, it may be said, that they are
not available for more work in iron and
steel, but as soon as railroad and other
building lessens in volume, not in the
aggregate but in proportion to other in-
dustries, we may hope that we shall be
able to make in Canada the larger part
of the iron and steel goods now imported.

The increased output of our coal and
iron mines, of our blast furnaces and of
our manufacturing, which would result,
would be of inestimable value to the
country as a whole.

It was evident to any student of the
situation a year ago that Canada, and
other borrowing countries, would be put
to a severe test during 1913. What we
were not prepared for was that this
country should be singled out as, in some
measure, chief among the sinners of this
kind. It is well, however, to remember
that when money becomes scarce in the
great markets of the world the chief
borrower is always told that he has ob-
tained too large a share and that he must
stop borrowing for the time being. We
had scarcely realized that Canada had
become the chief borrower, or practically
so, and somewhat resented being held
responsible for a situation created by the
combined financial requirements of all the
active mercantile nations of the world.
However, we have had our warning and
shall doubtless act upon it.

The fact remains that under all this
pressure England has taken more of our
securities this year than ever before. She
has patiently remembered that we are
obliged to finish the many sound and im-
portant enterprises, public, semi-public
and private, which had been undertaken
before the financial clouds began to
gather. That such enterprises will com-
mand the money of the investor in pre-
ference to loans for the rehabilitation of
foreign countries devastated by war, or
in preference to securities based upon
ventures, we need not doubt, and out of
the vast sum available each year in the
markets of Europe for new investments,
we may be sure of getting a generous
share. We shall have to face a keener
analysis of the nature of the security
offered, and the necessity of paying
higher rates to the investor, and we shall
do well to abstain during the next year
or so from seeking to market any un-
necessary securities, in order that we
may do what we can to restore the bal-
ance between the investment resources of
the world and the securities offered for
sale. It is pleasing in this connection to
see that the higher rates of interest of-
fered have opened the markets of the
United States to our securities to an ex-
tent quite unusual in the past.

Now that we have come to a slight
pause in the growth of North America,
it is well to bear in mind some of the
more important things accomplished
during this period of expansion. In Can-
ada, in addition to growth in many other
directions, we have in sight the comple-
tion of two new transcontinental railway
systems, and while they have been build-
ing, the existing system has success-
fully established its claim to rank as
one of the foremost railway systems of
the world. As regards the United States
the Panama Canal is practically finished;
a tariff adjustment, the mere thought of
which would have created panic a few
years ago, has taken place, leaving the
outlook in this respect a certainty in-
stead of an uncertainty; a currency and
banking bill, for which the country has
been waiting about twenty years, has
been passed, and a more reasonable atti-
tude has been adopted towards the ques-
tion of railroad rate adjustment. These
are all events of the greatest importance
which must profoundly affect the
future of the two countries, and so far
as Canada is concerned we may surely
feel that we are now entering upon a
new and more important phase of indus-
trial life for which our equipment is more
adequate than ever before. No more
positive evidence of the need and value
of such equipment could be offered than
the ease with which the present year's
crop was harvested, moved and ware-
housed. 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