

CANADA'S WAR EXPENDITURE TO DATE: \$127 MILLIONS.

With November, the net debt of the Dominion passed the half billion mark, the figures reported for November 30 being \$501,668,168 against \$492,528,492 at October 31, and \$364,843,247 at November 30, 1914. At the outbreak of the war in August, 1914, the net debt was \$331,873,814, so that during the war period to date, the debt has increased by about \$170 millions.

All this increase is not, of course, due to war expenditures, certain peace expenditures on capital account having been continued—the \$45 millions loan made in New York was entirely for peaceful purposes. The war expenditure for the fiscal year to date (eight months) is \$66,514,955, all charged to capital account, last month's contribution to this total having been \$13,155,797, so that evidently the war expenditures are on a rapidly increasing scale. The war expenditure of the Dominion in the last fiscal year was \$60,750,476, so that the aggregate war expenditure to November 30 exceeds \$127 millions.

Capital expenditures on public works, and, to a small extent, on railway subsidies total about \$25 millions for the eight months, a reduction of about three millions in comparison with the corresponding period of the last fiscal year. The total capital expenditure for the fiscal year to date is \$91,475,889.

Revenue continues to expand very satisfactorily, particularly that from the Post Office and Public Works, each of which show an approximate increase of 50 per cent. to date in comparison with the last fiscal year. Excise and miscellaneous receipts are slightly retrogressive; customs show an increase of about 16 per cent. The total revenue on consolidated account for the eight months was \$104,756,305 against \$90,468,003 in the corresponding eight months. Expenditure on this account was \$65,345,503 against \$75,708,628, a reduction of some \$10 millions. But part of this reduction is apparently accounted for by the fact that a proportion of militia expenditures are now charged to war expenditure on capital account.

LIFE PRESIDENTS' ASSOCIATION.

Canadians present at the annual meeting of the Association of Life Insurance Presidents, held in New York last week included Mr. L. Goldman, vice-president and managing director North American Life; Mr. M. D. Johnson, Toronto manager Aetna Life; Mr. T. G. McConkey, general superintendent Canada Life; Mr. T. H. Purdom, president Northern Life; Mr. E. M. Saunders, treasurer Canada Life; Mr. J. F. Weston, managing director Imperial Life; and Mr. George B. Woods, president and managing director Continental Life.

The papers read at the meeting focussed the subject of life insurance in relation to agricultural development—a matter in which the life insurance companies have a vital interest through their large loans on mortgage.

There can be no question that, whether the war is protracted for another year or two, or whether it comes to an end quickly, Europe has suffered the greatest financial calamity in its history.—London Correspondent, N. Y. Evening Post.

THE BANK OF OTTAWA.

The annual report of the Bank of Ottawa, presented at Wednesday's meeting of shareholders shows profits for the year ended November 30 of \$531,268 against \$620,691 last year. A strict comparison is, however, negatived by the fact that this year, profits are declared after providing not only as last year for shrinkage in value of investments, but also for contingencies. The 12 per cent. dividends absorb \$480,000, and \$33,263 goes for war tax on circulation, the balance forward on profit and loss account being increased from \$228,299 to \$246,305.

The following table shows the leading items of the Bank's balance sheet in comparison with last year:

	1915.	1914.
Capital Stock.....	\$ 4,000,000	\$ 4,000,000
Reserve.....	4,750,000	4,750,000
Circulation.....	3,966,030	4,051,740
Deposits not bearing interest.....	6,367,581	7,170,460
Deposits bearing interest.....	35,502,046	32,954,781
Total liabilities to public.....	46,213,146	44,431,168
Specie and legals.....	5,398,955	5,344,707
Call Loans in Canada.....	754,329	675,732
Total of Quick Assets.....	23,781,790	16,680,823
Current loans in Canada.....	28,372,721	34,342,059
Total Assets.....	55,329,826	53,529,921

There was a net increase in deposits during the year of some \$1,700,000. Current loans are down by about six millions, a probable reflection of the quiet condition of the lumber business, though municipal loans included in their total increased by \$1½ millions. The proportion of quick assets to liabilities to the public is 51.5 per cent., against 37.5 per cent. last year.

OUR BORROWINGS ABROAD.

(Continued from front page.)

tion with a capital of \$50 millions for the express purpose of furthering trade abroad is evidence of the energy with which Americans are putting theory into practice. In relation to this movement Canada is very favorably situated. The Dominion has for years been the United States' best customer, it is well known to Americans and it is easy of access. It has been said that the average American investor may not be quite certain whether Great Britain, across the Atlantic, is quite safe to lend to, but he has no doubts at all about Canada, lying right alongside him. It is fair to anticipate that in the next few years, Canada will receive a large and increasing amount of United States capital, and that after the war, Americans will not be content to have their trade with Canada dependent mainly, as in the pre-war days, upon British cash, but will themselves make the necessary financial arrangements to support and encourage their trade with the Dominion. With British money also flowing freely to the Dominion after the close of the war, it would seem likely that in the years to come Canada will readily receive all the capital from abroad required for the Dominion's healthy development. The prospect is a satisfactory one, but it is well to remember that the borrowing of funds will involve the payment of interest and re-payment in due time of principal and that there is only one sound way in which Canada can meet these—by the export of commodities.