

this time the Dominion Government ceased to use the funds put at their disposal by the British Treasury for war expenses, and very soon the possibility of floating a war loan in Canada was under discussion. A Dominion loan offered in Canada is as great a departure from the past as one offered in New York, and although we are still in the midst of moving the greatest crops in our history, in volume and in value, and are doing it with our usual machinery more or less paralyzed, because of the state of the foreign exchanges and the scarcity of tonnage, yet, when a domestic loan of 50 millions was offered in November the subscriptions exceeded 100 millions.

MUNITIONS AND CREDIT.

Concurrently with the discussion of this loan, we were sharply made aware that if we make munitions for the Allies we must to some extent give credit for such munitions in the same manner as has been done in the United States. We cannot take securities in payment for as large a percentage of 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 upon which to draw, but to some extent as yet unascertained we shall doubtless have to take Treasury or other Government securities in order to facilitate such purchases. Therefore, in view of the great success of our domestic war loan, the Minister of Finance, with the unanimous concurrence of the country, accepted subscriptions for 100 millions, instead of 50 millions, with the intention of using temporarily the additional sum thus secured to finance the payment for munitions on behalf of the Allies.

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 us. 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 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, 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 established them.

A year ago we described at length the various arrangements made by the Minister of Finance at the beginning of the war for the protection of our financial situation, and we referred to some of the moratorium legislation by provincial governments. The mere power to do certain things, if necessary, has, as usual, prevented the necessity from arising, and only a very moderate use has been made of the Finance Minister's wise provisions. As to moratorium legislation in the provinces, to the extent to which it has been a hardship to the creditor, the need has already passed, and while the provisions affecting the power to foreclose where there is no default except as to principal

will doubtless be retained, many of the other features will we hope, soon be repealed.

CLEARING HOUSE RETURNS.

The Clearing House returns show a further decline from \$8,074,978,000 in 1914 to \$7,797,430,000, a decrease of 3.44 per cent, for the year just closed. In all western cities the decline is very marked, except in Winnipeg and Brandon, where the figures show an 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:—

	1912.	1913.
Montreal	\$19,642,000	\$27,032,000
Toronto	27,401,000	27,038,000
Vancouver	19,388,000	10,423,000
Winnipeg	20,475,000	18,621,000
	1914.	1915.
Montreal	\$17,619,000	\$7,495,000
Toronto	20,672,000	6,651,000
Vancouver	4,484,000	1,593,000
Winnipeg	12,160,000	1,826,000

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 matter for congratulation that we have been 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 at the front, recruiting and the financing of the war, have interested us more than the supplying of munitions, and especially Canada'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 more 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 Defence, 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 all the cloth used for our soldiers' uniforms has been made in Canadian mills, but 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 \$20,000,000. The British orders in Toronto at the moment amount to nearly \$1,000,000. The demand for articles made of leather 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 the million pair at a time, and our mills are far behind in their deliveries. I cannot more

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