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Special Articles

Business and Banking in the United States.

By H. Elmer-Youngman.

Conditions in the West.

By Cora Hind.

PRINCIPAL CONTENTS.

Editorials:	Page.
Some Coming Changes	1
The Peace Notes	1
Small Savings for the War Teaching and Practice	2
The Holder of Germany	2
Where Labour Leaders Should Lead	2
Business and Banking in the U. S.	3
Allies Plainly Define Objects to be Achieved	4
Public Opinion	5
Conditions in the West	6
Mentioned in Despatches	7
Among the Companies	8
Montreal Stock Exchange	9
Canada's War Expenditures	9
Royal Bank Report	10-11
Union Bank of Canada's Assets Increase 20%	11
Gold and Silver	12
The Best Shock Absorber	12
A Universal Coin	13
Comments on Current Commerce	14
The Canadian Bank of Commerce Statement	16-19
Union Bank Report	20-21
Commodity Markets	22
Imperial Guarantee and Accident Insurance Company's Statement	23
Market News	24

Some Coming Changes

PEACE is not at hand. The coming months may witness some of the hardest and most costly battles of the war. It will only be through continued and increased devotion and sacrifice on the part of the Entente Allies that peace will come. But with the virtual certainty that the triumph of Britain and her Allies is not far off comes a closer interest in the problems that must arise after the war. That great changes will come to the world is generally realized by thoughtful observers, though the scope and effect of these may yet be only dimly understood. In the social field, as well as in the military, naval, commercial and industrial, there will probably be important changes. Even in England, where social conditions change so slowly, it is felt that a new order of things will arise. There the gulfs between the several classes have been many and broad. Changes in the social order brought about by legislative action have usually met with much resistance. The war has had a levelling influence in England itself, and still more among Britons on the battlefields of foreign lands. The rich and the poor, the nobleman and the workman, are being drawn together by the bonds of a common patriotism, a common service, a common sacrifice, a common sorrow. The sons of the proudest houses in the Kingdom and the sons of the cottage homes have lived and served and fought and died side by side. More than ever before there has been recognition of Robert Burns' declaration —

"The rank is but the guinea's stamp
 The man's the gold, for a that."

When those who survive the conflict return to the old land they must carry with them into the home life a better knowledge of one another, a higher appreciation of all that is good in mankind, an earnest desire to work together in all the walks of peace as they have worked together in the trenches of foreign lands. The war has brought sorrow and suffering to millions. If the adage respecting every cloud having a silver lining may be used at all in such a case, one of the silver linings will take the form of happier social conditions in the Mother Country.

The Peace Notes

TWO important documents were added last week to the diplomatic history of the war. The note signed by representatives of all the Entente Allies, in reply to President Wilson's peace inquiry, fully complied with the President's request. He asked for a statement of what the nations desired as conditions of peace. The German Government, having received a similar request, pretended to answer it, but in reality they evaded it, their reply merely proposing a peace conference

in a neutral country. There is no such evasion in the reply of Great Britain and her Allies. While much detail would have to be worked out later, the Allies have stated with John Bull directness what they mean to demand from the Central Powers as the penalties for the atrocities committed against the Entente Allies and against humanity. There is little, if anything, new in the note, little if anything beyond what has repeatedly been declared by British leaders. But it is as well that, since President Wilson asked for it, there should be in this formal shape a statement of what Britain and her Allies deem essential to the making of peace.

Germany sends a new note to the neutral powers, which doubtless was intended to win sympathy in those quarters. But Germany has in this case clearly overdone her task. She doth protest too much. A note which boldly claims that Germany was forced to undertake the war in self defence and which attempts to justify the infamous treatment of Belgium has small chance of winning sympathy or respect in any part of the civilized world.

Small Savings for the War

AT a moment when the public in Great Britain are responding with great enthusiasm to the Imperial Government's call for another great war loan, the Canadian Government are appealing to the people of small means to contribute their mites to the good cause. The Finance Department is carrying into effect the suggestions often made for the issue of small certificates, \$25 and upwards. The scheme, following a method employed in England with much success, takes the form of a discounting of the Government's note. The investor can obtain the \$25 certificate for a sum less than the face value, and at the time of maturity he will receive payment of the full amount. In England much smaller sums than \$25 were received. Perhaps later on, if further effort is desired, a lower minimum might be advisable. For the present the \$25 certificate should attract the contributions of a very large class of people. It is possible that a considerable sum may be in this way added to the war chest. But, as we have on several occasions urged, the value of the arrangement is not so much in the amount of money that it will provide as in the encouragement of thrift and patriotism among the masses of the people. Many there may be who will feel that in the presence of the high cost of living they have nothing to spare for a war loan. But there are many thousands who with a little effort, a little self denial, can invest in this miniature war loan, and they should be urged to do so. They will profit not only in the increase of their savings but also in their interest in and zeal for the good cause to which the war loans are to be applied.

Preaching and Practice

ON Thursday evening Sir Thomas White, Minister of Finance, in the course of an excellent address before the Ottawa Board of Trade on the need for economy and thrift, said:

"The solution of the problems presented on demobilization of our soldiers, and arising from the need of increasing agricultural and other production, and of transportation by land and sea for our products, will, of course, require future financing on the part of the Dominion, but apart from these and the construction of the most necessary public undertakings the policy for the Dominion, provinces and municipalities should be that of rigid economy. It will be good for us financially and morally."

Sir Thomas has at several places delivered addresses along the same lines, all of which are deserving of commendation. There can be no question that the advice he gives respecting the need for economy is sound.

What a pity it is that such excellent advice is weakened by the fact that at Ottawa, under the eyes of Sir Thomas and his colleagues, and with the concurrence of a Joint Committee of Parliament, the existence of which is calculated to stifle discussion, there is going on a work, the cost of which will run into millions, which cannot by any possibility be properly described as a "most necessary public undertaking." How can the Government expect lessons of economy from any Minister to be received with respect while there is going on the scandalous waste that is involved in the reconstruction of the Parliament Buildings at such a time as this? Of course Canada must have, at the proper time, Parliament Buildings which will be in keeping with the character of the Dominion. But there is hardly anything that Canada has less need of at this time than a new Parliament House. In the Victoria Memorial Museum at Ottawa Parliament has found convenient and comfortable quarters. There are large rooms which are well suited to the purposes of the Senate and House of Commons. Indeed, in some respects the accommodation now enjoyed by the members of the two bodies is better than it was in the stately structure on Parliament Hill that was recently destroyed by fire. There is quite a large amount of accommodation for committees and for the members. It is not all that could be desired, but it is ample for war-time, when some inconvenience and perhaps discomfort have to be borne by everybody. If Parliament has to be housed in its present quarters for several years nobody will be the worse for it. Why then should the Government, at a time when the recruiting offices are almost empty, when the Ottawa battalions call in vain for their complement of men, set hundreds of able bodied men at work for the rebuilding of structures not needed? With what reason can the Government refuse the call for public buildings in other parts of Canada while this wasteful expenditure of millions goes on under their eyes at Ottawa? The actual work of erection is suspended on account of the weather, but the work of preparing the material is going on as usual. All such work done at the present time of high wages will be very costly. That alone would be a reason for delay until a more convenient season. The need of men for military service is another reason. The need there will be for after-the-war work to furnish employment at a time when it will be much needed, is another reason and a very strong one.

Ministers should make a more serious effort

to practice the excellent doctrine they are preaching. To proceed with the reconstruction of the Parliament Buildings at this time is folly and worse. If Sir Thomas White will require the Public Works Department to stop this wasteful expenditure he will add much force to his excellent speeches on national and individual thrift.

The Hunger of Germany

THE Wall Street Journal several weeks ago had a short article, which we reproduced, stating that the humble potato was likely to be a very important factor in the questions of war and peace. The potato crop, valuable in Germany at all times, has been of particular importance during the war. Potatoes are largely used in Germany as food for animals. For human food, besides the ordinary use as vegetables, potatoes have been treated to produce a flour which has been extensively used as a substitute for wheat flour in breadmaking. And now there is an alarming shortage of potatoes.

The Wall Street writer's appreciation of that fact is fully confirmed by an eminent English writer, Mr. Francis Gribble, who has contributed to the London Sunday Pictorial a striking article on the situation in Germany. Reduced, he says, to about a quarter of a pound of meat and a couple of ounces or so of butter or oleomargarine a week the Germans need their potatoes badly. Of the general food outlook, and particularly the potato shortage, Mr. Gribble writes:

"A potato famine, therefore, means for them pretty much what it meant for Ireland in the hungry forties. And a potato famine is imminent in Germany.

"The yield of the potato harvest of 1916 is a little more than one-third and a little less than two-fifths of the yield of 1915; and even in 1915 there were barely enough potatoes to meet the demand. Not long ago the weekly allowance was 10-lb. per head. Now it is only 3½-lb. per head—the ration being supplemented by turnips; and, in order to provide even that scanty dole, it has been found necessary to forbid the use of potato flour by the bakers.

"Further restrictions will almost certainly be necessary before very long, for a considerable proportion of the potatoes actually harvested were carelessly stored and have been destroyed by the early frosts. Altogether there is a greater loss here than is at all likely to be made good by the spoliation of the granaries in the occupied regions of Rumania.

"Unquestionably the German Government feels the need of setting itself right with those of its own people who protest that glory does not satisfy their appetites, and that the war is being kept going in order that Junkers may make fortunes out of the high prices of agricultural produce. The alarm felt in financial circles at the fall of the mark, now at a discount of nearly 40 per cent., may be a further factor.

"But these are subsidiary reasons. **The main reason is hunger**, and the conviction that the hunger will get worse and worse as the winter advances, and that even if Germany can survive the winter—which is doubtful—the harvests will continue to be worse and worse until the war is over.

"These things are bound to happen. There will be no more jam in Germany, because there is no more sugar. The supply of live stock cannot be increased for lack of

fodder. The light soil of Germany depends for its productivity on the liberal use of artificial manure; and it is more than two years since the Chilean nitrates ceased to be imported. Even natural manure is scarce, owing to the paucity of horses and cattle. The prospects, in short, are such that **Germany must have peace at an early date or perish**. That is the inwardness of the Kaiser Note; and that is the reason why Berlin hung out the flags, as if for a victory on hearing of it."

All available information from Germany confirms the impression that the pinch of hunger is being felt very severely. In Austria too the situation is similar. A large portion of the Austrian people, under their best conditions, live close to the hunger line. Their situation under the pressure of the war must involve much hardship and discontent. It is, no doubt, the full knowledge of all this that has led the new sovereign of the Dual Monarchy to make his appeal to the Pope to endeavor to secure peace. The world is informed of the splendor with which the coronation of King Charles took place at Budapest. The Austrian and Hungarian courts are fond of pomp and ceremony and these things will not be neglected in the proceedings connected with the advent of the new Emperor-King. But the very story of the splendid pageants of the coronation will be sad reading for the suffering masses of the people.

The evidence of the economic pressure upon the Central Powers is too general and too strong to be disregarded. The pinch of hunger and the conviction of ultimate military disaster are the things that move the Kaiser and his allies to so much talk of peace. But they will, for a time at least, keep up the conflict in the hope that something may happen, not to give them victory, for that they must know cannot come, but to furnish them with opportunity to obtain peace on some more favorable terms than those which have been set forth by the Entente Allies. There will, in the meantime, be desperate fighting on their part on the land, a revival of submarine atrocities and perhaps some attempted raids by the bottled up German navy. Peace may be thus in sight, though only in the dim distance. The most certain thing is that that peace will come the sooner if Great Britain and her Allies continue to put into the great war all the resources of the British Empire and of the other nations which are sharing with us the burden and the honor of protecting civilization against German domination.

Where Labor Leaders Should Lead

Some of the leaders of our labor organizations in various parts of the Dominion have been suspicious of the purpose of the National Service cards now being distributed throughout the country. They have been disposed to believe that the distribution of cards must be in contemplation of conscription for military service, to which the labor organizations are very strongly opposed, and therefore some of the organizations have been unwilling to co-operate in the supplying of the information which the cards call for. Whatever labor leaders may feel about that phase of National Service, they have an opportunity now of participating in a national war movement to which they can hardly have any objection. The small savings proposal of the Government is one that should have unanimous support, and one that should commend itself particularly to the various trade unions of the country.

Business and Banking in the United States

Weekly Review by ELMER H. YOUNGMAN, Editor
Bankers' Magazine.

Entente Powers' Reply to President Wilson.

From the viewpoint of the stock market, the reply of the Entente Powers to President Wilson's inquiries regarding peace terms may be plainly interpreted as meaning a continuance of the war. As shown by the recent course of the market, the tendency is toward decidedly lower prices whenever there is a prospect of peace. This merely evidences the fact that Wall Street knows that the ending of the war must bring about a sharp readjustment which will greatly reduce the values of many securities whose profits are based on war trade. Once this readjustment is over, trade will gradually resume a more normal aspect, though it will be a long while before some of the influences now active in affecting values will cease to operate. The upheaval has been so great that many years must elapse before its effects shall pass away. Whatever may be the opinions of professional traders in the stock market, as reflected by the violent fall in prices on account of peace talk, there can be no doubt that conservative bankers and business men generally will welcome a just and lasting peace. Slowly the people of the United States are awakening to a realization of the illusory character of war "profits," the high prices alone being a source of much enlightenment on this matter.

Federal Reserve Bank of New York.

The balance sheet of the Federal Bank of New York, as of 30th, December, shows a footing of \$286,858,275.08. This is smaller than a number of the ordinary banks and trust companies, and only about half as much as two or three of the larger institutions report. It was not, of course, the aim of the Federal Reserve Act to build up a large institution in New York that would exercise a dominating influence in domestic and international banking and finance, but on the contrary to take away if possible some of the power the New York banks have hitherto had in this respect. As a matter of fact, New York's financial power has not been curtailed since the Federal Reserve Act was passed, but has greatly increased, though it might have been still greater but for some of the Act's provisions.

There is political hostility in the United States toward the financial centres and toward New York especially—a condition from which most other great trading nations seem exempt. The recent excitement about a "leak" from Governmental circles to Wall Street has brought this hostility freshly to the public mind. If another "investigation" of the country's chief financial market could be had, with prospects of unearthing new evidence of the supposed devious ways of that locality, the hostility referred to would be for the time being appeased. Usually investigations of this character are more popular as a preliminary to a general political campaign. The party at present in power can have no such motive for an investigation of this character. Possibly the defeated party in the recent Presidential contest might welcome an opportunity which affords a possibility of removing from their shoulders some of the stigma of Wall Street alliance with which they have been freely charged and passing this on to their opponents.

Bank Clearings Still Gaining.

While high prices are operating in some lines to restrict buying, the total volume of the country's trade, so far as that is reflected in the bank clearings, is still gaining. For the week ended January 11th there was a substantial increase over the preceding week and for the same week in 1916, while compared with 1915 the gain was more than ninety-five per cent. Practically all sections of the country are participating in the growth of business. Those not directly concerned in the furnishing of war supplies are feeling the indirect impetus to general business to which this trade has given rise, while the demand for all commodities experiences the stimulus of large gold reserve in the banks and easy conditions of credit. With bank clearings keeping up in the face of a falling off in stock trading, the conclusion must be that general business yet shows no signs of waning. Two influences may, however, check trade almost at any time. These are a lessening of purchases of American goods by the Entente Allies through the checking of lending operations here, in accordance with the Federal Reserve Board's intimation made sometime ago, or by the definite announcement of peace negotiations. As to what will happen to the United States economically after the war, the keenest-minded economists seem at sea. Predictions of universal ruin at the begin-

ning of the war were so freely made and disproved by what actually happened, that few conservative bankers are willing to risk an opinion as to the future. They admit that in many important respects we shall have a changed economic world after the war, but generally omit specifying the exact character of these changes. If the hopes of statesmen on both sides of the Atlantic are realized for finding some practicable means of lessening military and naval outlays, a growing source of expenditure would be checked. Deficient revenues are already serving to call attention to the cost of greater military preparation even in a country at peace.

Demand for Small Denominations of Currency.

What is regarded by Treasury officials as a reliable index of general prosperity is the demand for additional notes of small denominations. This demand has been met heretofore by the issue of silver certificates in denominations of one and two dollars, but at present there are outstanding about all of these that can be issued. Silver certificates are issued against the coinage of silver dollars, and no additional coinage of these is now going on. It is proposed to issue some of the legal tenders, or "greenbacks" as they are popularly called, in small denominations. The volume of this form of money is also fixed, but some of the bills of large denominations can be retired and their place taken by notes of smaller value. This demand for more one and two-dollar notes indicates a more active hand-to-hand circulation of money, and also serves to call attention to the preference which the people of this country generally have for bills over coin. Silver dollars circulate to some extent in the West and South, but are practically unknown in the East. Gold coin circulates but little except on the Pacific Coast. Take them altogether, the people of the United States much prefer the paper representatives of money to the money itself.

The legislative policy pursued in this country for a long time in regulating business seems to have been based upon the assumption that the corporations were nearly all making exorbitant profits. As bearing on this point, a quotation from a recent address of Edward N. Hurley, Chairman of the Federal Trade Commission, is exceedingly pertinent.

"The Federal Trade Commission, in a preliminary investigation, found that, leaving out of consideration the banking, railroad and public utilities corporations, and referring only to those that have to do with trade and industry, there were about 250,000 business corporations in the country. The astonishing thing is that in 1914 of this number 100,000 had no net income whatever, 90,000 made less than \$5,000 a year, while the remaining 60,000, the more successful ones, made \$5,000 a year and over.

"Turning now from net income to the total volume of business done by the 60,000 successful corporations in the United States, we found that 20,000 made annual sales of less than \$100,000; \$20,000 more sold goods valued at from \$100,000 to \$250,000; 10,000 more from \$250,000 to \$500,000.

"Of the 60,000, five thousand ship annually half a million to a million dollars worth of goods; 4,500 corporations have total sales from a million to five million dollars; while only 462 of these industrial and mercantile corporations in the United States do a business of \$5,000,000 or more a year.

"These striking figures exhibit a condition which has existed for many years. They show conclusively that big business, while important, constitutes but a small fraction of the trade and industry of the United States. They make clear that there is an unduly large proportion of unsuccessful business concerns."

As knowledge of these conditions spreads, the thirst for Governmental regulation of business is likely to diminish. When it is shown that "big business" is really much smaller game than many of its political pursuers supposed, the pleasure of hunting it will be correspondingly lessened.

Employees Sharing in Bank Profits.

Aside from the very liberal holiday bonuses which many banks now distribute to their employees, many the larger institutions are gradually working out plans of profit sharing with their employees. The Corn Exchange Bank of New York will apportion its earnings for the present year somewhat in the following way. First will be the expenses of operation, including salaries, and next interest on accounts, taxes, the usual bonuses, allowance for losses, and five per cent. on capital, surplus and un-

divided profits. Of what is left, twenty-five per cent. will be divided among the employees in proportion to their salaries. Substantially this means that the employees will get one-quarter of the net profits, increasing their respective shares with promotion and increase of salaries.

Around the holiday season the newspapers give prominence to the liberality of banks in dealing with their employees. It is not impossible that some depositors, unable themselves to display like liberality towards their employees, may ask the question. How is it the banks can do so well with other people's money? They may also wonder whether a part of the profits which the banks are so generously dividing up should not have accrued to the depositors who have materially assisted in making this profit possible.

The principle of mutuality in profit sharing in commercial banks seems inapplicable, though it works well enough with respect to savings banks. Depositors in commercial banks presumably get their full compensation from the security and services afforded them, plus a small interest on inactive balances. The most practical way for a bank to share its earnings with commercial depositors is by reducing the rates charged them for loans, by increasing efficiency of service, and perhaps by advancing the rate paid on balances.

Steel Business Thriving.

Taking steel as a barometer of business conditions present and future, the situation could hardly be better. Unfilled orders of the United States Steel Corporation at the end of 1916 aggregated 11,547,286 tons, an increase of 488,744 tons over the preceding month, and about 3,000,000 tons above the prosperous year 1906. Judge E. H. Gary, Chairman of the Steel Corporation, recently stated that orders already in hand assure capacity operation for all 1917 and for part of 1918. These orders do not seem dependent upon a continuation of the war, as it was stated that they are not subject to cancellation.

Exportation of steel products is considerably hampered, for while the railroad situation has somewhat improved of late, the lack of ocean transportation still restricts the free movement of the output of the mills.

Railways are as yet holding off so far as relates to any general policy of construction and equipment. Pennsylvania is asking authority of its shareholders to issue \$75,000,000 of new securities either in bonds or stocks. The general feeling among railway executives is that until the public show more of a disposition to buy their securities, any large issues would be ill-advised. Should earnings keep up, however, at the same rate as for the past year, the attitude of the public toward railroad securities would undergo a change. Should the war close soon, an increase of buying for railway equipment would be welcome as a sustaining element in the steel industry.

Additions to Our Gold Holdings.

In the six weeks between November 25th and January 13th, the United States imported gold to an amount in excess of \$207,000,000, a record probably net imports of gold, added to the year's production, net imports of gold, added to the year's production, represent an addition of some \$600,000,000 of gold to our stock in a single year. Net imports since the war begun exceed \$1,000,000,000.

Curiously enough, the United States has not taken advantage of this opportunity to improve the legal character of the currency and banking reserves. There is a large volume of legal-tender silver whose actual value is much less than the face, some \$346,000,000 of legal-tender notes with only little more than fifty per cent. of gold behind them, a large volume of bank notes not specifically based upon a gold reserve, and all these forms of credit "money" available in one way or another as bank reserves.

Loud complaint is heard of high prices, but no one seems to think of the desirability of checking this tendency by strengthening the currency or by limiting the bank reserves to gold only. More strangely still, in an era of inflation and high prices, the actual bank reserves have been reduced from former figures, and proposals to hold practically all bank reserves in the form of balances with Federal Reserve Banks meet with great favor.

Not a few bankers look upon the big gold accumulations with apprehension. This feeling is increased by the indisposition of the public authorities to in-

(Continued on page 23).

Allies Plainly Define Objects to be Achieved

The Entente Allies replied to President Wilson's peace note in a joint communication. In a separate note the Belgian Government expressed its desire for peace, but declared it could only accept a settlement which would assure it reparation and security in the future.

Both of the communications were dated Jan. 10, and were transmitted in translations from the French text through Ambassador Sharp at Paris.

The translation of the French text of the note is: "The allied governments have received the note, which was delivered to them in the name of the Government of the United States on the nineteenth of December, 1916. They have studied it with the care which is due to the exact realization of which they have of the gravity of the hour and by the sincere friendship which attaches them to the American people.

"In the usual way they desire to declare their respect for the lofty sentiments inspiring the American Government, its high-hearted agreement with the proposal to create a league of nations which should insure peace and justice throughout the world. They recognize the advantages for the cause of humanity and civilization which the institution of international agreements defined to avoid violent conflicts between nations would provide; agreements which must imply the sanctions necessary to ensure their execution and thus to prevent an apparent security from only facilitating new aggressions; but a discussion of future arrangements for assuring a durable peace presupposes a satisfactory settlement of the present conflict. The Allies have as profound a desire as the Government of the United States to terminate as soon as possible a war for which the Central Powers are responsible, and which inflicts such cruel sufferings upon humanity. But in their judgment it is impossible to obtain at the present moment such a peace as will not only secure to them the reparation, the restitution, and the guarantee due them, the guilt of which is fixed upon the Central Powers, while the very principle from which it springs was undermining the safety of Europe; and at the same time such a peace as will enable future European nations to be established upon a sure foundation. The allied nations are conscious that they are not fighting for selfish interests, but, above all, to safeguard the independence of peoples, of right and of humanity.

Fully Aware of Losses.

"The Allies are fully aware of the losses and suffering which the war causes to neutrals as well as to belligerents, and they deplore them; but they do not hold themselves responsible for them, having in no way either willed or provoked this war, and they strive to repair these damages in the measure compatible with the inexorable exigencies of their defense against the violence and the wiles of the enemy.

"It is with satisfaction therefore that they take note of the declaration that the American community is in no wise associated in its origin with the war. The Central Powers transmitted on the eighteenth of December by the Government of the United States a peace note which they did not doubt, moreover, the resolution of that Government to avoid even the appearance of an opportunity, even moral, of the authors responsible for the war.

"The allied governments feel it their duty to challenge in the most friendly, but also in the clearest way, the analogy drawn between the two groups of belligerents. This analogy, based on public declarations of the Central Powers, is in direct conflict with the facts, both as regards responsibility for the past and guarantees for the future. President Wilson's reference to this analogy, did not, of course, intend to make it his own.

"It is a historical fact established at the present moment that the wilful aggression of Germany has led Hungary to insure their hegemony over the Balkans and her economic domination over the world. The aggression given by her declaration of war, by the violation of Belgium and Luxembourg, and by the methods of warfare, Germany has pursued, systematically, she has scorned every principle of justice and all respect due to small states. Moreover, as the struggle has progressed has the Central Powers and their allies been a constant challenge to humanity and civiliza-

tion. Is it necessary to recall the horrors which marked the invasion of Belgium and of Serbia, the atrocious regime imposed upon the invaded countries, the massacre of hundreds of thousands of inoffensive Armenians, the barbarities perpetrated against the populations of Syria, the raids of Zeppelins on open towns, the destruction by submarines of passenger steamers and of merchantmen even under neutral flags, the cruel treatment inflicted upon prisoners of war, the juridical murders of Miss Cavell, Captain Fryatt, the deportation and the reduction to slavery of civil populations, etc.? The execution of such a series of crimes perpetrated without any regard for universal probations fully explains to President Wilson the protest of the Allies.

"They consider that the note which they sent to the United States in reply to the German note will be a response to the questions put by the American Government, and, according to the exact words of the latter, constitute a public declaration as to the conditions upon which the war could be terminated."

Allied Objects in War.

"President Wilson desires more—he desires that the belligerent powers openly affirm the objects which they seek by continuing the war; the Allies experience no difficulty in replying to this request. Their objects in the war are well known; they have been formulated on many occasions by the chiefs of their diverse governments. Their objects in the war will not be made known in detail with all the equitable compensations and indemnities for damages suffered until the hour of negotiations. But the civilized world knows that they imply in all necessity and in the first instance the restoration of Belgium, of Serbia and of Montenegro, and the indemnities which are due them; the evacuation of the invaded territories of France, of Russia and of Roumania, with just reparation; the reorganization of Europe guaranteed by a stable settlement, based alike upon the principle of nationalities, upon the right which all peoples, whether small or great, have to the enjoyment of full security and economic development, and also upon territorial agreement and international arrangements so framed as to guarantee land and sea frontiers against unjust attacks; the restitution of provinces or territories wrested in the past from the Allies by force or against the will of their population; the liberation of Italians, of Slavs, of Rumanians, and of Tcheco Slovaques from foreign domination; the enfranchisement of populations subject to the tyranny of the Turks; the expulsion from Europe of the Ottoman Empire, which has proved itself so radically alien to Western civilization. The intentions of His Majesty the Emperor of Russia regarding Poland have been clearly indicated in the proclamation which he has just addressed to his armies.

"It goes without saying that if the Allies wish to liberate Europe from the brutal covetousness of Prussian militarism, it never has been their design, as has been alleged, to encompass the extermination of the German peoples and their political disappearance. That which they desire above all is to insure a peace upon the principles of liberty and justice, upon the inviolable fidelity to international obligation with which the Government of the United States has never ceased to be inspired.

"United in the pursuits of this supreme object, the Allies are determined, individually and collectively, to act with all their power and to consent to all sacrifices to bring to a victorious close a conflict upon which they are convinced not only their own safety and prosperity depends, but also the future of civilization itself."

Reply From Belgium.

The translation of the Belgian note, which was handed to Ambassador Sharp, with the Entente reply, follows: "The Government of the King, which has associated itself with the answer handed by the President of the French council to the American ambassador on behalf of all, is particularly desirous of paying tribute to the sentiment of humanity which prompted the President of the United States to send his note to the belligerent powers, and it highly esteems the friendship expressed for Belgium through his kindly intermediation. It desires as much as Mr. Woodrow Wilson to see the present war ended early as possible.

"But the President seems to believe that the statements of the two opposing camps pursue the same objects of war. The example of Belgium, unfortunately, demonstrates that this is in no wise the fact. Belgium has never, like the Central Powers aimed at conquests. The barbarous fashion in which the German Government has treated, and is still treating, the Belgian nation, does not permit the supposition that Germany will preoccupy herself with guaranteeing, in the future, the rights of the weak nations, which she has not ceased to trample under foot since the war, let loose by her, began to desolate Europe. On the other hand, the Government of the King has noted with pleasure and with confidence the assurances that the United States is impatient to co-operate in the measures which will be taken after the conclusion of peace, to protect and guarantee the small nations, against violence and oppression.

"Previous to the German ultimatum, Belgium only aspired to live upon good terms with all her neighbors; she practised with scrupulous loyalty towards each one of them, the duties imposed by her neutrality. In the same manner she has been rewarded by Germany for the confidence she placed in her, through which, from one day to the other, without any plausible reason, her neutrality was violated, and the chancellor of the Empire, when announcing to the Reichstag this violation of right and treaties, was obliged to recognize the iniquity of such an act, and predetermine that it would be repaired. But the Germans, after the occupation of Belgian territory, have displayed no better observance of the rules of international law or the stipulations of The Hague convention. They have by taxation as heavy as it is arbitrary, drained the resources of the country; they have intentionally ruined its industries, destroyed whole cities, put to death and imprisoned a considerable number of inhabitants. Even now, while they are loudly proclaiming their desire to put an end to the horrors of war, they increase the rigors of the occupation by deporting into servitude Belgian workers by the thousands.

"If there is a country which has the right to say that it has taken up arms to defend its existence, it is assuredly Belgium. Compelled to fight or to submit to shame, she passionately desires that an end be brought to the unprecedented sufferings of her population. But she could only accept a peace which would assure her, as well as equitable reparation, security and guarantees for the future.

"The American people, since the beginning of the war, have manifested for the oppressed Belgian nation, its most ardent sympathy. It is an American, the Commission for Relief in Belgium, which, in close union with the Government of the King and the national committee, displays an untiring devotion and marvellous activity in revictualing Belgium. The Government of the King is happy to avail itself of this opportunity to express its profound gratitude to the Commission for Relief as well as to the generous Americans eager to relieve the misery of the Belgian population. Finally, nowhere more than in the United States have the abductions and deportations of Belgian civilians provoked such a spontaneous movement of protestation and indignant reproof.

"These facts entirely to the honor of the American nation, allow the Government of the King to entertain the legitimate hope that at the time of the definite settlement of this long war, the voice of the Entente powers will find in the United States a unanimous echo to claim in favor of the Belgian nation, innocent victim of German ambition and covetousness, the rank and the place which its irreproachable past, the valor of its soldiers, its fidelity to honor and its remarkable faculties for work assigned to it among the civilized nations."

BOND BUYERS ADVISED.

In their January bond circular Nesbitt Thomson & Co. warn investors that competition will shortly be in evidence among bond buyers.

"Canadian corporations are getting into very strong positions which will shortly be shown by the development of strong reserve funds, which will place our industrial and kindred activities as competitive purchasers of high grade bonds with the insurance companies and other bond buyers as generally developed up to the present. We believe, therefore, that the present is an opportune time for individuals to purchase high-class municipal and public utility bonds."

The circular is most attractively gotten up and contains some interesting charts as well as a lengthy list of specially priced bonds.

Public Opinion

WHAT THOUGHTS AND LAUGHTER SELL FOR.

(Commerce and Finance).

An obscure newspaper paragraph last week reported the value of the estate of Prof. Hugo Muens-terberg of Harvard University. He left \$5,000.

This was the total wealth of the best known psychologist in the United States. He was the author of a dozen books—all enjoying a larger circulation than the ordinary book on psychology. If this was the estate of the best known psychologist what will be the estate of the others?

The best professors get from \$3,000 to \$6,000 a year. Leading universities pay football coaches more than their highest paid professors. So much for the value that our universities put upon knowl- edge.

In the outside world we should expect to find conditions worse. They are. Exclude Mr. Brisbane, and it is safe to say that leading cartoonists are paid more than leading editors. Several motion picture actors and actresses receive more than the country pays its President. Charlie Chaplin's salary has been reported in excess of \$500,000 a year.

The public will pay well those who give it what it wants. Those who give it not what it wants, but what it ought to have, will not be paid so well. The public will pay well those who make it laugh. But how meagre is the recompense of those who try to make it think!

COME ACROSS!

(Saturday Evening Post).

On every hand in this country you hear expressions of admiration and sympathy for France. The pro-German takes off his hat to the defenders of Verdun. The plain American finds in French heroism and efficiency a strong vindication of democracy at a time when events elsewhere have cast a doubt upon it. The pro-Ally speaks of France with devotional emotion.

All of which does France no particular good. She has lost a million men. Many of them were bread-winners of families that had no other means of support. Several hundred thousand young orphans face a world whose bare cupboards are not made more nourishing to them by sentimental admiration of the manner in which their fathers died.

A fairer opportunity to prove up could not be desired. Are your admiration and sympathy for France genuine or bogus? If the situation and conduct of France have really touched your emotions, help the orphaned children of France.

THINGS THAT SOUND ALIKE.

(Minneapolis Journal).

It is surprising how much inaccurate information is current about public questions. Things that sound alike are confused in the public mind, despite the readiness with which they may be distinguished.

For example, speak of universal military training, and a considerable proportion of supposedly intelligent persons will assume that you mean universal military service—a very different thing. Indeed, the inevitable coming of universal training will, no doubt, be much delayed by this misunderstanding.

The other day we printed a letter from a correspondent who assumed that universal training was synonymous with militarism. Yet no one could accuse Switzerland or Holland, or Sweden, or Norway, or Australia of being weighed down by the burden of militarism, though each gives all its young men military training.

LONG WANTED "HERO" FOUND.

(Louisville Courier-Journal).

If it is true that the Kaiser pinned an iron cross on himself the day the Germans made proposals for peace he must be the hero whom Ella Wheeler Wilcox sought in the poem in which she says "the man worth while is the man who can smile when every- thing goes dead wrong."

BOXED ON NO MAN'S LAND.

(New York Evening Post).

There is a story of Gallipoli that deals with a fight in the open and exhibits the unspeakable Turk as a fair and worthy enemy—not the least what the British troops thought him to be when they went out. This is the story:

A young English officer, doing observation work alone, was suddenly confronted by a Turkish officer, similarly engaged. The Turk was as surprised as the Briton, but came forward, revolver in hand. The Englishman had no revolver. He stood his ground, his hands in the large pockets of his tunic.

Seeing that his adversary was unarmed, the Turk, much to the surprise of the Briton, threw down his gun and put up his fists in approved prize-ring style. The Englishman put himself on guard, and the next moment the Turk flung himself upon him, and the pair began to fight desperately.

The men were about the same age, the same weight, and had equal knowledge of the art of boxing. They fought without stopping for about ten minutes. By that time each was fairly exhausted, and they paused for a brief rest, only to continue their little private accounting when they had found their breath. Round after round the fight went on, while out in the Gulf of Saros the ships fired automatically, and back of them the field artillery thundered. Neither seemed to be able to get any decisive advantage over the other, and at last Turk and Englishman rolled over the ground and laughed and laughed. Just then the Englishman's hand touched something. It was the Turk's pistol. He picked it up and handed it to his enemy. The two young men shook hands and each returned to his own lines.

POLITICAL INDEPENDENCE.

(Vancouver World).

The World, as an independent newspaper, does not interpret its independence to mean that it is to remain silent on a public question lest people should withdraw their subscriptions when they differ with its views, or that it should cultivate a lofty scorn of politics altogether. Politics has its place. It is a means to an end—and that end is good government. But partizanship is another thing altogether. With it we have neither truck nor trade.

SANITARY PREPAREDNESS COUNTS.

(London Globe).

The present is the first great war in history which has not been followed by its attendant disease. During the previous invasion of France 74,205 men in the German field army contracted typhoid and gastric fevers and 8,904 succumbed to them. Moreover, after the seven months of the war of 1870 were over the returning soldiers brought with them an epidemic of smallpox, from which upward of 170,000 died throughout the German empire.

WANTED—AN OFFICE BOY.

(Wall Street Journal).

The future magnate who started in as an office boy in 1916 will be unable to boast to his grandchildren how he began life on a mere pittance. For the office boy of to-day is a plutocrat. In no class of labor has the wage scale advanced so greatly as it has for the small boy who usually guards the door of the big man's sanctum. Corporations which have been accustomed to starting in youngsters just out of school at \$4 to \$5 a week are now forced to pay as high as \$10, and even at that they are having trouble in getting boys.

SOLIDARITY.

(Saskatoon Phoenix).

Organization has come; more of it is coming. The people who will not organize must be content to stay out in the cold. The privileges of aristocracy and landlordism are gradually, but surely, being curtailed. The Producer is coming into his own, be it ever so slowly.

ONE REMEDY FOR DIVORCE.

(Detroit Free Press).

"If we could find some way to restore the fine old home spirit of the past," says Miss Mary Bartelme in an interview printed the other day in Chicago, "we would find a sure way of getting at the roots of a good bit of the divorce trouble."

This piece of philosophy is worth the deepest consideration of all who deplore the divorce evil and who seek ways and means to combat it. What is needed is the cultivation of the real home making, homekeeping, and home dwelling spirit, if divorce is really to be in any appreciable degree throttled or checked. The conditions in which evil flourishes must first be eradicated before evil can be obliterated. The making of restrictive regulations and laws and fulminations will not answer.

The divorce evil is a product of many factors. Among these are hasty, ill assorted marriages and lack of engrossing interests, giving room for idling and its consequences. Homes that are mere sleeping and eating places, as fleeting as the tent of the Arab, are in no real sense homes. Home is where the family lives, moves, and has its being; where each strives for its permanency, upbuilding, and beautification. The family must be a well ordered republic in miniature and the home must be the arena of its principal activities. A home must have attractions, liberties, and restrictions. And for each inmate it must be the supreme and vital thing. All outside activities must be subordinated to and for the interests of the home. Its burdens must be lightened and its joys increased by being shared by all its inmates.

And lastly it must be a refuge. When the door closes it must shut out the world of strangers. The walls must inclose a little, pleasant world of their own. There must be a feeling of patriotism for home, so to say. Interests thus closely bound en-wrap attention and effort and leave little room for the entry of discord. And where there is little discord there is no divorce.

People busy making a real home are too busy to fight or to visit the divorce court.

PRICE AND QUANTITY.

(Boston News Bureau).

Unless all economic laws are at fault and all economic history is to be falsified, the world is preparing for some phenomenally low food prices. Present high prices will induce the largest planting and the most energetic cultivation and reaping the world around. Two or three years of high priced food will do more to stimulate agriculture than all the agricultural colleges in the world combined.

When will consumers, politicians and statesmen realize that the way to get food produced is to raise the price? The problem of clean, wholesome milk will never be solved until somebody sets up the highest standards and delivers the best article at twenty-five cents per quart or within a cent or two per quart of the cost of producing the article.

Standard Oil is one of the most efficient business organizations in the world. It has been operated for a generation upon the simple theory of regulation in oil production by advancing the bid price when there is a scarcity.

SCANT FOOD IN GERMANY.

(New York Literary Digest).

We are getting so few reports from Germany itself, telling how the war is affecting the great civil population, that the recent letters of Madeleine Doty to the New York Tribune and the Chicago Tribune attract more than usual interest. This woman lawyer and writer, travelling in the Fatherland, has come into direct contact with the people, and has found the situation to be vastly different than the news dispatches would have us believe. Just how they are stinted in matters of food—always a theme of interest to a race like the Germans, who find much of the joy of life depending upon things culinary—is revealed in her contributions to the American press in a completeness which makes the British blockade a real and terrible thing, to all readers.

For instance, Miss Doty reports that the girth of the average German is passing from rotundity to the severest leanness, and that the great mass of the people are being driven gradually to desperation by the increasing ravages of hunger.

Conditions in the West

Special Correspondence by E. CORA HIND, Commercial and Agricultural Editor, Free Press, Winnipeg.

1916.

The end of the year figures for 1916 make interesting reading and show that in spite of bad crops the western farmers have really received more money than in bountiful 1915. The gross is \$258,000,000 as against \$254,000,000 for the same period of 1915.

Dealing with wheat, the amount already inspected and passed Winnipeg is a little less than 97,000,000 bushels, this is slightly more than half the amount inspected in the corresponding four months of 1915, but owing to the much higher prices, the difference in the amount of money received was approximately only 16,000,000. This in itself is very interesting, but more interesting still is the result from coarse grains.

The number of bushels of oats inspected was, roughly, 9,000,000 less than 1915, but the returns for the same are \$4,000,000 greater but it is barley and flax that have made the most phenomenal records. The number of bushels of barley inspected was only 16,000 bushels greater than in 1915, but the price received of flax inspected was 1,400,000 greater than in 1915 and the increase in value received was over \$3,300,000.

At the close of the year there was in the interior elevators about 33,000,000 bushels of wheat; allowing 25,000,000 bushels for feed and interior milling, it means that already 161,000,000 bushels has been accounted for since the crop year of 1916 came in. It must not be assumed, however, that this is wholly the crop grown in 1916, as there was a big carry over, but it does indicate that the Free Press estimate of 170,000,000 was not unduly high.

No one for a moment believes that the whole crop is out of the farmers hands, though the amount on the farms is probably relatively small if viewed in the light of actually marketable wheat, but it will not be a surprise if when August 31st comes, it will be found that the wheat crop of 1916 was well over 175,000,000 bushels.

The movement forward of the coarse grains has been relatively higher than wheat, and it would be difficult to make any estimate as to the amount still to come forward.

Oats.

The amount of oats in interior elevators on December 31st was about 11,000,000 bushels and with the 38,000,000 already inspected, brings the oats crop accounted for pretty well up to 50,000,000 bushels, but the proportion of the oats crop of the three western provinces that is marketed in any one year is relatively small in proportion to the production.

Barley.

With regard to barley, it is pretty safe to assume that the crop is well cleaned up, there are two and a quarter millions of bushels in interior elevators, but the price has been so high that marketable barley has been brought forward early. The fact is that a great deal of the barley crop of 1916 was lower than feed, and will never come to market.

Flax

In view of the small area in flax and that double the amount has been marketed in the four months than was marketed during the same period of 1915, it would indicate that there is not a great deal of flax to come forward. The amount in interior elevators is well under 1,000,000 bushels.

Root and Fodder Crops.

While the yield from potatoes and roots was small, the high prices have offset this, and the actual returns from hay, potatoes and roots is 2,500,000 greater than 1915. Alberta has reaped the greater harvest from both potatoes and hay crops.

Dairy Products.

1916 has been an exceptionally satisfactory year in the matter of dairy products not only from the standpoint of production, but also from the important one of price. Taking the provinces in the order in which they come, Manitoba increased her output of creamery butter by nearly 1,000,000 pounds while the average price was 2 cents per pound higher than 1915, being 31 cents. The increase in returns from all classes of dairy produce amounts to the handsome total of 638,431.

Alberta.

Alberta shows an increase of around 1,000,000 pounds in her make of creamery butter, and has very nearly doubled her make of cheese. She shows an increase in price of four cents per pound for the year and a grand total from butter and cheese of \$2,775,000 or an increase of practically three quarters of a million dollars. Unlike the other provinces, Alberta shows no return for dairy butter, though undoubtedly large quantities of it are made. Neither does she supply any figures for milk nor sweet cream, this tends to make her total returns for dairy products smaller than that of the other provinces, but there is no doubt that the figures for these last two items, were they supplied, would bring her total well up, if not over, that of the other provinces. She holds the record for prices for the year.

Saskatchewan.

Saskatchewan figures are shown a little differently this year than in previous seasons, when it has been the practice to give all the creameries, both government occupied and private ones together. This year the amount of butter made by the government operated creameries is given at 2,538,061, while the value of the butter from private creamery is placed at just about \$500,000, which presuming the price of the private owned creameries to have been as good as that of the government operated houses, namely 20.3 cents, gives a total value for creamery butter of \$1,270,000. The total value of dairy products, including dairy butter, milk and sweet cream is \$5,470,000. The gain for the year being \$55,000.

The grand total for dairy products for the three provinces is \$12,728,614.85 or an increase of \$1,377,537 over 1915.

The outstanding feature of the year's work in dairying is the fact that a uniform grade of butter was established in the three provinces and that our butter competed successfully in Montreal market with the famous Eastern Township butter, and at the Pacific coast with the New Zealand butter, also that the shipments made to Britain, while not large, were well received, and the foundation of a permanent trade has been established.

In this connection, too much credit cannot be given to the labors of the three Dairy Commissioners. Professor J. W. Mitchell for Manitoba, W. A. Wilson for Saskatchewan and Charles Marker for Alberta.

Alberta had 57 creameries in operation during the summer season and 35 are operating all winter. Saskatchewan and Manitoba also have a number of creameries operating during the winter months.

The high price of cheese has stimulated the make both in Manitoba and Alberta, but more particularly in the latter. The average price of cheese in Manitoba at the factories was 18 cents or 3 cents per pound higher than 1915, and in Alberta 19 cents per pound, or 4 cents per pound higher than in 1915.

Livestock.

The year has been a phenomenal one in livestock movement, and the grand total of returns from the sale of all kinds of live stock for the three prairie provinces aggregates over \$30,000,000, an increase in value over the sales of 1915 of approximately \$4,500,000. The word 'approximately' is used advisably as will be seen from what follows:

Winnipeg Yards.

The yards at Winnipeg, or rather at St. Boniface show at a conservative valuation that \$19,346,393 worth of stock changed hands there during the year. So far as the number and class of cattle received are concerned the Free Press is able, through the courtesy of the secretary of the Public Markets, Ltd., A. N. Lambart, to present its readers with a most comprehensive review of the work of these yards. The tables appearing in another part of this page show the complete receipts of cattle, hogs, sheep, swine and horses, month by month, with a comparison with 1915. They also show where all this livestock originated, and in equal detail what disposition was made of it. These tables will repay very careful study. They show, in examination, that there was an increase in cattle receipts of over 20,000 head and that this increase was due very largely to the increased shipments from Manitoba. Saskatchewan shipments only increased a

little over 4,000 head, while those from Alberta show an increase of something over 2,000. There were marked increases in the receipts from Manitoba for May, June and July when the prices are highest, and when the stall fed cattle are coming on the market.

Hogs.

There was a decrease of practically 170,000 head in the hog receipts. There was a falling off of some 18,000 from Manitoba, but the principal decreases were in receipts from Saskatchewan and Alberta. The decreases in receipts from Alberta amounted to over 4,500 while Saskatchewan fell behind over 100,000. The high prices of hogs during the entire season, to a very considerable extent offset the smaller receipts, and on the whole, the hogs were better type and better finished than those marketed in 1915.

Sheep.

There was a substantial increase in the sheep receipts from all the provinces and the reports of the yards would indicate that many of these sheep were not slaughtered, but were being purchased and moved out on the land as foundation stock.

Horses.

There was an increase of over 4,000 head in the number of horses passing through the yards, but this is, unfortunately, not an indication of increased breeding in horses in the west, as over 8,600 of these horses came in from eastern Canada.

Stockers and Feeders.

Undoubtedly one of the most interesting tables is that showing the movement of stockers and feeder cattle. There was a slight decrease in the number of the cattle received in the yards, but there was a very much more satisfactory disposal made of those that came in. Of the 50,673 stockers handled, 29,549 head went back on to Canadian farms, to be either finished or used for breeding stock; the United States got only 21,124 head, as compared with 44,975 head in 1915. Of the stockers going back on to the farms Manitoba got 9,550 head, Saskatchewan 11,939, Alberta 7,757 and eastern Canada 302.

Values of Cattle.

With regard to the value of cattle, it has been more than usually difficult to arrive at a reasonably accurate estimate. Some of the packing houses have had war contracts which could be filled by the slaughter of lighter weight cattle than have been usually regarded as butcher stock; on the other hand there have been many choice cattle that have brought high figures, some of these have been heavy steers, other again have been lighter in weight but exceedingly high quality and finish. Two lists of average prices per month are given, these have been supplied by packing houses and represent the value of common and choice cattle, but there is no means of knowing exactly how many head were choice and how many common. The value placed on the butcher cattle and stockers and feeders is, therefore, approximately only being placed at \$75 per head for butchers and \$50 per head for stockers and feeders.

Calgary.

The stock yards at Calgary have had a most exceptionally successful year. They show a total turnover of \$10,110,777 or practically just two million dollars more than their turnover for 1915. Their receipts of cattle jumped from 45,145 in 1915 to 71,871 in 1916. In common with Winnipeg, they suffer a decrease in hogs receipts, approximately about 75,000, they had a falling off also in their sheep receipts of something like 5,000 head, but made it up on horses, the receipts for horses being 23,084 head for 1916, as against 10,522 for 1915. They place a very low value on their horses, only 135 per head.

Edmonton.

For the first time it is possible to report on the Edmonton Stock Yards. They have been in operation since 1st October and in the three months did a business of approximately \$618,000, handling in that time 3,163 head of butcher cattle and dairy cows and 5,897 stockers, feeders and calves, 4,215 hogs and 1,370 sheep.

BRITAIN HEAVY BUYER OF WHEAT.

Export houses were big buyers of the various grains at Chicago, last week, as well as elsewhere. The largest purchase was 5,000,000 bushels of oats, which were taken by the British commission in the Chicago market, and which will be sent to the seaboard as soon as cars are available. Omaha reported sales of 200,000 bushels of wheat and the seaboard reported 500,000 bushels of wheat in various positions, mainly to go out via gulf ports.

Mentioned in Despatches

Admiral Sir George Warrender, who recently retired as Commander-in-chief of the Plymouth Naval Station, has just died in his sixty year. He was succeeded in Command to the Plymouth Station by Sir Alex Bethell. The new Commander has had charge of the Battleship Division of the Third Fleet, and is regarded as one of the ablest and most efficient Officers of the British Navy.

Hamilton Wright Mabie, associate editor of the "Outlook" and known throughout the English speaking world as a writer, lecturer and literary critic, has just died at his home in New Jersey in his seventieth year. The late editor had travelled extensively, had written a score of books and innumerable essays, but was probably best known through his editorial work and literary criticisms. Some of his best known books are "Norse Stories Retold from the Eddas", "Nature in New England", "Fairy Tales Every Child Should Know", "Short Studies in Literature", and "The Life of Shakespeare". Dr. Henry Van Dyke once described Mabie as "One of our most influential American educators working outside of the curriculum."

General Gouraud has been appointed Governor-General and Commander-in-Chief in Morocco in succession to General Lyautey who has been made Minister of War in France. Gouraud is one of the "finds" of the war, although he had previously achieved a big name for himself in northern and central Africa, and in China. In the wooded wilds of the Argonne in the early days of the war he earned the title of "Lion of the Argonne." He was severely wounded there, but on his recovery went to Gallipoli where he was again severely wounded, losing an arm and several of his ribs. His recovery was somewhat of a miracle, but as soon as he was fit, he got back into the game, and has been in command of a division in the Verdun sector. He now goes back to Africa where he has spent many years as Lyautey's able Lieutenant.

Pat Ryan—A writer—possibly an Irishman—has stated that there have been more Victoria Crosses presented to Irishmen during the war than to any other nationality. If they were all as courageous and as witty as Pat Ryan, of the Connaught Rangers, they deserve all kinds of honours. A short time ago Pat had a birthday and thought that he ought to celebrate. Without telling a soul, he went out alone in the late afternoon and came back after dusk with two gigantic Germans in tow, an officer and a private. How or where he got them nobody knows but Pat, and he wont tell. His captain asked him how he managed to catch the two, to which Pat replied: "Sure, and I surrounded them, Sorr!" Pat is probably not as well known as Michael O'Leary, but he possesses the same indomitable spirit.

Much is expected from Gen. Hubert Lyautey, who has just been appointed French Minister of War. Lyautey had made a big name for himself as the conqueror and first Governor-General of Morocco, and has added to his excellent reputation since the outbreak of hostilities. When the Germans attacked France, Lyautey was anxious to return and do his bit at the front, but the French Government persuaded him to stay in Morocco, where he had an almost uncanny influence over the natives. By remaining there he permitted practically all the French soldiers to be withdrawn. Later German influence tried to stir up a rebellion in Morocco, but Lyautey "put one over" on the Germans and incidentally put an end to all thought of rebellion. The Germans kept telling the Moroccans that France had been conquered and that the German army would soon be in Morocco. A German army did come to Morocco, but as prisoners of war, and were set to work to build roads, irrigation canals, and do other manual work, a sight which so impressed the Moroccans that they became thoroughly convinced that the Germans had been defeated. Lyautey has been decorated with the Military Medal, the highest decoration in the gift of the French Government, and has also been honored by the King of Spain on account of the excellent work he performed at Morocco. Previous to his appointment, there had been strained relations between France and Spain in Morocco, but Lyautey smoothed all those away. He possesses all the driving force, experience and ability necessary to make an efficient War Minister.

Mr. E. N. Rhodes, M. P., who is to be made Speaker of the House of Commons, has been Deputy Speaker for the past year or two. He represents Cumberland in the House of Commons being first elected in 1908 and re-elected in 1911. In addition to his legal practice he is a director of several Nova Scotia industrial corporations. Mr. Rhodes is one of the youngest Members of Parliament, being only in his fortieth year, and is regarded as being one of the most efficient men on the Conservative side.

Senator J. B. R. Fiset of Rimouski, whose death occurred a few days ago, was one of the oldest members of the Senate on the Liberal side. He was born at St. Cuthbert, Que., in 1843 and educated at Laval where he graduated in medicine in 1868. The late Senator took a very keen interest in military matters, retiring some years ago as Lieutenant Colonel and with a medal for long service. For many years he was a member of the House of Commons, and was then called to the Senate in 1897. His son Lieutenant-General Fiset is Deputy Minister of Militia at Ottawa.

The Hon. Neil Primrose who has been appointed Parliamentary Secretary of the Treasury, and chief whip under the Lloyd George Cabinet, is the second son of Lord Rosebery, and inherits much of his father's ability. He is only 34 years of age, and has already given evidence of an unusual grasp of parliamentary affairs, is a clever debater, possesses the gift of repartee, and is a great favorite with all classes. Neil Primrose married a daughter of Lord Derby, so that he will be closely associated with his father-in-law in parliamentary duties.

Blood Counts!—The other day Lord Airlie and his younger brother, Lieut. The Hon. Patrick Ogilvy, were both awarded Military Crosses for services at the front. The one is a lieutenant in the Tenth Hussars, and the other is a lieutenant in the Irish Guards and were invested with the Cross the same day by King George. The boys' father, the Eighth Earl, was killed in the Boer war at the battle of Diamond Hill, falling at the head of the 12th Lancers. The Ogilvy family, of which Lord Airlie is the head, is one of the oldest and best known in Scotland, and trace back their ancestors to one of the seven great hereditary chiefs of Scotland. In the eleventh century these chiefs exchanged their title of chief for that of earl.

Sir Edmund Walker, who presided at the Annual Meeting of the Canadian Bank of Commerce this week, possesses an international reputation as a banker. As a matter of fact, his pronouncements on finance, commerce and industry are taken as authoritative statements by those who wish to keep posted in regard to Canadian affairs. Sir Edmund was born in Ontario in 1848, and after a public school education, entered the private banking institution of an uncle. In 1868 he joined the Canadian Bank of Commerce and worked his way up to the General Managership and then to Presidency of that institution. Sir Edmund is more than a banker however. He has interests as broad and wide as the range of human sympathies, and takes an unusually keen interest in educational work, in art, science, hospitals and kindred interests.

G. H. Balfour, who has just resigned the general managership of the Union Bank of Canada, has held that post for thirteen years, but altogether has been connected with the Bank for the past forty-seven years. Mr. Balfour was born at Frost Village, Quebec, in 1848, and after a short experience in a stock brokerage office joined the Union Bank in 1870. He served in all the important centres covered by the Bank and gradually worked his way up to the general managership. His chief pastime apart from business was military matters. He saw service in the Fenian Raid and then kept up his rifle shooting, being a frequent member of the Canadian Rifle Team which competed at Wimbledon, England. Mr. Balfour met with a somewhat serious accident a year or two ago and since then his health has not been of the best. Although he has retired from the general managership of the Bank he remains a director.

Thomas W. Lawson, who is occupying the centre of the stage through the part he played in connection with the leak in Wilson's peace note, is one of the best known financial men and writers in the United States. As a matter of fact Lawson attained an international reputation a few years ago through his article on frenzied finance, in which he pretended to expose the manipulations of the big market operators. He has written scores of stories and special articles all relating to financial matters. His writings are ultra sensational. He was born at Charlestown, Mass., and lives in Boston.

Lord Islington, better known as Sir Dickson Poynder, the new Under Secretary of State for India, has a very thorough knowledge of that country and its people. Islington is one of Britain's famous pro-consuls. He was formerly a Governor of New Zealand, but resigned that post at the request of Premier Asquith in order to re-organize the British Civil Service System. He has frequently visited Canada and the United States in order to study city traffic, this being done in order that he might make himself more competent as chairman of the Royal Commission on the regulation of street traffic in London. Lord Islington served as A. D. C. to Lord Methuen during the Boer War, and won the D. S. O. for gallantry under fire.

E. H. Sothern, the distinguished actor, is seriously ill and has probably appeared for the last time before the footlights. Sothern is probably the most famous actor the United States has produced, and compares most favourably in ability with the better English actors. As a matter of fact, Sothern has very often been taken for an English actor. He was born in New Orleans in 1859, and as a young lad appeared on the stage with his father, who was also an actor. Since that time he has toured all parts of the English speaking world, spending some years in England, where he was extremely popular. During recent years Sothern has been playing Shakespearian parts. He is married to Julia Marlowe, who plays with him in Shakespearian plays.

Serg. Georges Carpentier, the French heavyweight champion pugilist of Europe, is to get leave of absence and come over for an exhibition bout with Jess Willard, the American champion, the proceeds to be devoted to the French Red Cross Work. Carpentier enlisted as soon as war broke out, acting as a signaller and then as a despatch rider, where he drove a racing automobile and rode motor cycles. He later took up aviation, where he did such effective work that he won promotion and the Military Cross. Some few weeks before the war broke out he won the heavyweight championship by defeating "Gunboat" Smith, the pugilist.

Lord Cowdray—The large part played by aeroplanes in the fighting at the front has induced the British Government to place the entire aerial service under the direction of one of the most efficient organizers in Great Britain—Lord Cowdray. Cowdray, who is better known as Sir Weetman Pearson, President of the S. Pearson & Sons, Limited, contractor is one of the best organizers and most efficient business men in Great Britain. He has carried on big contracting enterprises, such as harbours, tunnels, bridges and water works construction in nearly every country in the world. He also has extensive oil interests in Mexico. Lord Cowdray has paid his price in the war, two of his sons having been killed at the front, while the third and only remaining son is now on active service.

Baron Sydney Sonnino—The meeting of the Entente premiers and the war leaders in Rome calls fresh attention to the part being played by Italy in the struggle, and especially the work performed by Baron Sydney Sonnino, the Italian Foreign Minister. He is the man who was really responsible for the Italian entry into the struggle on the side of the Allies. He is half English and holds decidedly pro-British sentiments, and is also regarded as one of the shrewdest and best informed foreign ministers in Europe. He is particularly familiar with the Balkan situation and will doubtless be able to secure more vigorous action in connection with that vexed sphere. Sonnino possesses an undying hatred for Austria, and can be depended upon to use every bit of influence he possesses in having Italy continue the struggle until her aspirations regarding the Adriatic are realized. Sonnino only became Foreign Minister a few months before Italy's entry into the war.

AMONG THE COMPANIES

WESTERN POWER COMPANY OF CANADA.

The reorganization of the Western Canada Power Company has been completed and a new company—the Western Power Company of Canada will take over the assets of the old company.

All the outstanding notes of Western Canada Public Utilities, Limited, have accepted the plan and have paid their subscriptions in full, with the exception of the holder of a single note for \$1,000. The stockholders of Western Canada Power have also very largely accepted the plan, and the subscriptions of those who have done so have now been paid substantially in full.

The new cash to be provided by noteholders and stockholders was underwritten by a syndicate and in order to close the re-organization promptly, a final call is proposed to be made upon the underwriters on January 20 for the small amount still due. After that call has been made shareholders who have not subscribed will not be allowed to participate in the re-organization.

Shareholders who desire to avail of the opportunity now afforded will deposit their certificates for stock of Western Canada Power Company, Limited, duly endorsed for transfer, either with the Royal Trust Company, or with The Equitable Trust Company of New York, and at the same time pay to the institution with whom you make such deposit the amount of the assessment called for by the plan. The amount of the necessary payment will be (including interest) \$15.33 for each share of stock so deposited. This payment and deposit will entitle you to receive voting trust certificates for \$18.75 par value of the preferred stock and \$50 par value of the common stock of the new company for each share of stock of Western Canada Power Company deposited under the plan.

Holder of the 5 per cent first mortgage bonds of the Western Canada Power Company will meet on February 1, at eleven o'clock in the offices of the Royal Trust Company, Montreal, to authorize an exchange of these bonds together with the coupon due on January 1, 1916, and all subsequent coupons, for 5 per cent first mortgage bonds of the Western Power Company par for par, and 10 year 7 per cent debentures of the Western Power for the face amount of the coupons of the bonds to be exchanged, coupons to be those due January 1, and July 1, 1916, and 1917.

The Western Power bonds for which the old bonds are to be exchanged are to be part of an authorized issue of \$20,000,000 of 5 per cent bonds bearing interest from July 1, 1917, and to mature 1949, to be secured by trust deed of mortgage on the same property as the bonds of the Western Canada Power Company. The 7 per cent debentures will mature in 1926 and the interest will be a fixed charge. Interest maturing subsequent to October 1, 1918, will be cumulative and payable out of surplus net revenue or income of the Western Power Co. of Canada.

The meeting will also restrain any bondholders from instituting suit or proceedings against the Western Canada Power Company to foreclose the security or enforce the deed of trust of the old bonds.

IMPERIAL LIFE COMPANY.

The annual report of the Imperial Life Assurance Company of Canada shows new assurances written and assurances revived in the year amounted to \$10,507,380, exceeding by \$2,022,836 the highest record of any previous year. The total assurance in force was increased during the year by the gratifying amount of \$6,118,382, and now stands at \$55,084,130.

Cash income from premiums was \$1,938,966.68, from interest \$720,451.37, and from other sources \$12,761.21, giving a total cash income of \$2,672,179.26, an increase of \$306,642.74 over the corresponding income of 1915.

The total assets of the company, as at the 31st of December, 1916, amounted to \$12,974,417.02, showing an increase for the year of \$1,382,933.53. The new investments of the year were made largely in bonds and debentures, for which favorable terms of purchase continued to prevail.

CANADA LIFE ASSURANCE CO.

The statement of the Canada Life Assurance Company shows business issued during the year at \$20,524,044, compared with \$16,350,407 in 1915. This is the largest amount ever issued by the company, and is an increase in the year of \$4,173,637. New policies paid for were \$19,037,146, an increase of \$4,822,370. Total assurances in force is given at \$169,964,803, compared with \$160,928,592, an increase of \$9,036,211.

Premium income was \$5,353,188, and considerations for annuities \$217,928. Interest received including profit on sale of securities was \$3,094,166. Cash premium and interest increased the amount to \$8,695,283, an increase of \$636,158. Other income items, amounting to \$142,610, make total income for year \$8,837,893.

Payments to policyholders aggregated \$4,129,430, compared with 7,822,201, total assets are given at \$59,229,183, as against \$56,217,061, an increase of \$3,022,122, most of which has been invested in Government bonds. Policy reserves are now \$50,096,237, compared with \$48,094,443, an increase of \$2,001,794 after providing for additions to contingent reserve increasing it to \$400,000, and allotting \$489,970 to those entitled to \$6,043,677 against \$5,425,088. Surplus earned is given at \$1,210,559 against \$1,480,866 last year.

DESTRUCTION OF RUSSIAN AMMUNITION

On Thursday, January 11th, fire broke out in the ammunition factory of the Canadian Car and Foundry Company, near Kingsland, N. J., destroying \$5,000,000 worth of ammunition—an order for the Russian Government which had kept the plant of the Canada Car Company busy for two years. Earlier in the week Russia had placed a new order involving several millions of dollars for shells with this company.

KERR LAKE MINING COMPANY.

Kerr Lake directors have declared the regular quarterly dividend of 25 cents per share payable on March 15 to shareholders of record March 1. During 1916 the company paid \$600,000, and to date have paid \$6,720,000 in dividends. The present payment will involve \$150,000.

In December the company produced 190,160 ounces of silver, compared with 215,840 ounces in November, 210,073 ounces in September. The total production for the year is 2,523,805 ounces.

NOVA SCOTIA STEEL AND COAL CO.

A meeting of the directors of the Nova Scotia Steel and Coal Company was held at the head office of the company, New Glasgow, on the 9th inst.

It was shown that the output of the New Glasgow plant for the calendar year ended December 31st last, was more than 60 per cent greater than that of 1915, while the orders now on hand are sufficient to keep the plant fully occupied for a large portion of the current year, even at the increased rate of production prevailing in 1916.

It was also shown that their subsidiary, the Eastern Car Company, had received a further order for three thousand cars for Europe. These cars are to be delivered at a Canadian port, and, with other orders now on hand, will be sufficient to keep the car plant fully occupied for the whole of 1917.

No announcement was made regarding a dividend.

STANDARD STOCK EXCHANGE ANNUAL.

The reports presented at the annual meeting of the Toronto Standard Stock and Mining Exchange reflected a more than ordinarily successful year. The Secretary's statement showed clearings of \$39,261,470. During the year the Exchange traded in 35,911,413 shares, an increase of 9,977,294 shares, having a value of \$17,088,642.

Officers were elected as follows: T. Eastwood, president; F. C. Jackes, vice-president; L. J. West, second vice-president; A. J. Patterson, secretary-treasurer; directors, D. G. Lorsch, J. A. McCausland, P. G. Kiely, J. P. Cannon and P. W. Cashman.

BELDING-PAUL-CORTICELLI CO.

The directors of the Belding-Paul-Corticelli Company have declared a dividend of 3½ per cent on the preferred stock as the first step towards wiping out the 24½ per cent which has accumulated. It is said the company is now earning about 10 per cent on the common stock.

A 10 per cent surplus on the common, after preferred dividend, would mean net profits after charges of about \$135,000, or in excess of 15 per cent on the preferred stock alone, against 7.1 per cent the previous year and 4.9 per cent in 1914. The encouragement of a showing of this sort for shareholders is added to by the fact that the re-organized board two years ago instituted a policy of drastic writing-down, which has at last left the merger in a sound position as to inventories, accounts, etc., while finances have been improved by the temporary withholding of dividends. After a bad start, the company has begun to work clear of its early troubles.

HAMILTON STEEL WHEEL CO.

The directors of the Dominion Steel Foundry Company announce that a new company, the Hamilton Steel Wheel Company, has been incorporated, with an authorized capital of \$2,000,000, divided into 80,000 shares of \$25 par. Of this \$2,000,000 total \$1,000,000 has been issued. \$200,000 being subscribed and paid for in cash by the Dominion Steel Foundry Company and \$800,000 being fully paid stock issued to Mr. C. W. Sherman under an agreement for service, patents, etc.

NOVA SCOTIA POWER.

The bond issue of the Nova Scotia Tramways and Power Company is being offered by the underwriting syndicate at 95½, while the same interests which took a block of the preferred six per cent cumulative stock are offering it at par with a bonus of three shares of common for every ten preferred taken.

MONTREAL TELEGRAPH CO.

At the annual meeting of the Montreal Telegraph Co. the statement showed property assets of \$2,151,824, compared with shareholders' capital of \$2,000,000, an excess of \$151,824. Cash on hand amounted to \$160,366. The contingent fund stood at \$119,184. The old board was re-elected.

DULUTH-SUPERIOR TRACTION CO.

The Duluth-Superior Traction Co. comparative statement of gross passenger earnings for month of December is as follows:

	1916.	Increase.
First week	\$29,738.25	\$4,987.39
Second week	30,019.57	6,185.27
Third week	32,409.41	7,816.74
Remainder of month	46,118.89	8,757.63
Month to date	\$138,286.12	\$27,747.03
Year to date	\$1,397,524.62	\$243,400.39

CANADA STEAMSHIP LINES.

A special meeting of the holders of the 5 per cent first mortgage debenture stock and bonds of Canada Steamship Lines, Ltd., has been called for January 30th to consider some modifications in the existing trust deeds. The modifications have in view the ultimate redemption of underlying Richelieu and Ontario bonds and the closing out of that mortgage.

MONTREAL TRAMWAYS CO.

Montreal Tramways gross earnings for November show a gain of \$74,286 and net \$17,205 over Nov., 1915. The comparison is as follows:

	1916.	1915.	Inc.
Nov. gross	\$615,448	\$541,162	\$74,286
Oper. exp., taxes, etc.	376,123	319,041	57,082
Net	239,325	222,120	17,205

BANK OF MONTREAL

Established 1817

Capital Paid Up	- - - - -	\$ 16,000,000.00
Reserve Fund	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,414,423.00
Total Assets	- - - - -	365,215,541.00

BOARD OF DIRECTORS:

SIR VINCENT MEREDITH, BART. President
 C. B. GORDON, ESQ. Vice-President

R. B. Angus, Esq.	E. B. Greenshields, Esq.	Sir William Macdonald.
A. Baumgarten, Esq.	Lord Shaughnessy K.C.V.O.	C. R. Hosmer, Esq.
Wm. McMaster, Esq.	H. R. Drummond, Esq.	D. Forbes Angus, Esq.
	Capt. Herbert Molson.	Harold Kennedy, Esq.

Head Office, MONTREAL

General Manager, SIR FREDERICK WILLIAMS-TAYLOR, LL.D.
 Assistant General Manager, - - A. D. BRAITHWAITE, Esq.

Bankers in Canada and London, England, for the Government of the Dominion of Canada.
 Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.
 Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

ROYAL BANK REPORT.

The 48th annual meeting of the Royal Bank was held here a few days ago and was characterized by a number of interesting addresses. Fresh interest was added through the presence of a number of former Quebec Bank directors, the Royal Bank directorate being increased to twenty to take in three former Quebec directors.

C. E. Neill, General Manager, referred to the principal features of the Bank's report for the past year, stating that the remarkable results could be attributed to four causes: Prosperous conditions in Canada and the West Indies; the advantageous location of branches; co-operation on the part of the directors and a loyal and efficient staff. The deposits now exceed \$200,000,000. Forty-two per cent of the advance was in the Savings Department. It is a satisfactory feature that these figures included no large or unusual deposits of temporary nature.

The liquid position of the Bank has been well maintained, liquid assets being 53.24 per cent of liabilities to the public as compared with 49.03 per cent last year.

The increase in investment represents subscriptions to British Government loans, the proceeds of which were to a great extent expended in this country.

Net profits for the year were 17.87 per cent on the capital, as compared with 16.48 last year, or 8.66 per cent on combined capital and reserve, as compared with 7.99 per cent last year.

Sir Herbert Holt, the President, dealt particularly with the general future of the Bank's business with a special mention of the character of the business of the country at the moment and conditions that might be looked for at the close of the European war. Sir Herbert said, in part:

"During the past year, total assets of the Bank have increased \$55,000,000. Seven years ago they were \$67,000,000. Today they are two hundred and fifty-three million dollars. We are not singular, however, in respect of the year's growth. The wonderful prosperity of the country is reflected in the assets of Canadian banks in general, the total increase amounting to two hundred and fifty-five million dollars."

E. L. Pease, the Vice-President and Managing Director referred to many features of the general situation. In this connection Mr. Pease said, in part:

"The financial and economic strength developed by Canada since the beginning of the war is little short of marvellous. In the first seventeen months she evolved from a debtor to a creditor country, with a balance of \$206,706,000 in her favor. In the past twelve months the balance has reached \$229,000,000. More remarkable still is the transition from an habitual borrower in London to a lender to the Imperial Government, coincident with the raising of large domestic loans."

Board of Directors.

The following were elected Directors for the ensuing year:

Sir Herbert S. Holt, E. L. Pease, E. F. B. Johnston, K.C., Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dymont, C. E. Neill, M. B. Davis, G. H. Duggan, C. C. Blackader, J. T. Ross, R. Mac. D. Paterson, and G. G. Stuart, K.C.

At a subsequent meeting of the Directors Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease Vice-President and Managing Director, and Mr. E. F. B. Johnston, K.C., Second Vice-President.

BANK OF TORONTO ANNUAL.

The annual meeting of the Bank of Toronto was held at the head office on the 11th instance. W. G. Gooderham, president of the Bank, drew attention to the new war credit to the Imperial Government amounting to \$100,000,000. He thought it would be wise to consider that we were now at the height of our prosperity. He advised that full advantage be taken of this situation to pay off any indebtedness and accumulate capital.

The banks, he said, could not create money, but increased savings will be used for the furtherance of the war and Allied purposes.

The general manager touched briefly on the bank's position. The old board of directors was re-elected.

Mr. Hugh McCulloch president of the Goldie & McCulloch Company of Galt, and director of a number of other corporations has just died.

MONTREAL STOCK EXCHANGE

With the exception of the severe break in Canadian Car the local market was devoid of all interest during the past week. The volume of business amounting to 31,000 shares was just half of the total for the previous week while price fluctuations were narrow.

The smash in Car came as a result of the fire at the Kingsland plant. The preferred stock slumped from 87½ to 60, but gained five points on Saturday and closed at 65 with sales of 5,200 shares. The common dropped from 43½ to 26 on transactions of 2,000 shares.

Total sales for the week with comparisons follow:

	—Week ending—	
	Jan. 13.	Jan. 6.
Shares	31,495	62,650
Mines	5,310	4,400
Bonds	\$294,175	\$390,625
Unlisted	2,352	4,841
Do. bonds		\$4,600

NORTHERN-CROWN ANNUAL.

The directors of the Northern Crown Bank report net profits for the year ending November 30th of \$128,761, which is an increase of \$28,000 over net profits for the previous year.

The capital stock is now shown at \$1,428,797, with a reserve of \$715,000, and an additional sum of \$132,954 to the credit of the profit and loss account. The assets in liquid form amount to 14,052,033, which is approximately 70 per cent of the total liabilities to the public.

COPPER IN THE NORTH.

The first story of the Steffanson Expedition was told in Montreal a day or two ago by Dr. J. J. O'Neill, the geologist of the expedition. In an address before the Canadian Mining Institute in Montreal he told of the two or three years of battle with ice, inclement weather and other difficulties encountered by the expedition. O'Neill is an Ontario boy, who took a brilliant course at McGill and then a post graduate course in geology at Yale. After a few experiences in mining work in various parts of Canada he went north with Steffanson 3 years ago. In his talk Dr. O'Neill said that around Copper River, which empties into the Arctic, there are six billion tons of copper producing rock, while he estimated that there were at least 1,000 square miles heavily mineralized with copper, coal and gold. The Steffanson Expedition was divided into two parts, the northern and southern. Dr. O'Neill was with the southern, while Steffanson himself commanded the northern. They are expected out in about another year.

CANADA'S WAR EXPENDITURES.

In the nine months of the present fiscal year Canada expended \$170,000,000 for war purposes or almost double the amount spent during the same period in 1915.

The financial statement of the Dominion for the nine months shows a total revenue of \$168,856,349 as compared with \$122,927,821 in the corresponding period. In the month of December alone the revenue amounted to \$21,943,775, an increase of over four million. In the nine months the domestic expenditures on consolidated account totalled \$31,696,505, an increase of seven millions.

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$100,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite banking business of every description.

THE BANK OF NOVA SCOTIA

Forty-Eighth Annual Meeting of the Royal Bank of Canada

Sir Herbert Holt, President, Refers to Principal Problems Canada Must Be Prepared To Deal With in the Post War Period.

Mr. Edson L. Pease, Managing Director, Deals With Marvellous Strides Canada Has Made During Past Year and Assistance Given to the Government by Canadian Bankers' Association.

Mr. C. E. Neill, General Manager, Pays Tribute to the Record of the Staff of the Bank Overseas and Draws Attention to the Necessity of Making Provision For Them On Their Return.

The Forty-Eighth Annual General Meeting of the Shareholders was held at the Head Office of the bank in Montreal on Thursday, January 11th, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

Mr. W. B. Torrance acted as secretary of the meeting and Messrs. A. Haig Sims and Alex. Paterson as scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

DIRECTORS' REPORT.

The Directors have pleasure in submitting to the shareholders the Forty-Seventh Annual Report, for the year ending November 30, 1916, accompanied by the Statement of Assets and Liabilities.

The assets of the bank have recently been subjected to the usual careful revaluation.

Your Directors record with deep regret the death of their late colleagues, Mr. Wiley Smith, His Honor Lieutenant Governor MacKeen, and Mr. T. J. Drummond. Mr. Wiley Smith and Governor MacKeen were the Directors of longest standing, having served continuously on the Board for twenty-eight and twenty-one years, respectively. Mr. Drummond joined the Board in 1909. The vacancies were filled by the appointment of Messrs. M. B. Davis and G. H. Duggan, of Montreal, and Mr. C. C. Blackader, of Halifax.

On October 5th last we concluded an agreement with the Directors of the Quebec Bank to purchase the assets of that bank, for a consideration of 9,117 shares of this bank and \$683,775 in cash. This was ratified by the shareholders of the Quebec Bank on the 28th of November. The approval of the Governor in Council was obtained in due course, and the assets were transferred on January 2nd. By this purchase we have acquired on satisfactory terms, assets approximating \$22,000,000.

In addition to the thirty-five Quebec Bank branches added to our list, offices were opened during the year as follows: In ONTARIO—Church St., Toronto; in NEW BRUNSWICK—Buctouche, Richibucto; in NEWFOUNDLAND—Heart's Content, Placentia; in CUBA—Palma Soriano; in COSTA RICA—Limon; in the DOMINICAN REPUBLIC—Sanchez, Santiago de los Caballeros; in VENEZUELA—Caracas. A sub-branch has been opened at Keewatin, Ont.

Fifteen of the Quebec Bank branches were closed when the transfer took place, and our branches at the following points were closed during the year: In ALBERTA—Athabasca, Plafmore, Namayo Ave., Edmonton; in SASKATCHEWAN—Luseland. In ONTARIO—Dundas St., Toronto, Gerrard and Main, Toronto; in QUEBEC—Beaumont St., Montreal, Terrebonne. We have also closed the sub-branches at Bentley, Blackfalds and Peace River, West Side, Alta., and Copetown, Ontario. Sutherland, Sask., Branch has been changed from an independent branch to sub-branch.

The Head Office and all our branches of the bank have been inspected as usual during the year.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties. All of which is respectfully submitted.

H. S. HOLT, President.
E. L. PEASE, Vice-President.

GENERAL MANAGER REVIEWS STATEMENT.

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:

The Balance Sheet before you is the best ever submitted to the shareholders, and shows striking progress in all departments of the bank's business during the past year.

Total deposits now exceed \$200,000,000, the increase for the year being no less than \$45,000,000, 42 per cent of the advance was in the Savings Department. It is a satisfactory feature that these figures include no large or unusual deposits of a temporary nature.

Our note circulation is approximately \$4,000,000 higher, and exceeds the paid up capital of the bank by over \$6,000,000. The excess is covered by a deposit in the Central Gold Reserve.

Current loans show a moderate expansion. In Canada the increase is \$4,931,759, due chiefly to the acquisition of new accounts, and temporary loans to customers producing munitions of war. Commercial loans abroad are higher, on account of the active demand in the West Indies in connection with the production of sugar and other staple commodities. These loans will decrease substantially during the next two or three months.

The liquid position of the bank has been well main-

tained, liquid assets being 53.24 per cent of liabilities to the public, as compared with 49.03 per cent last year.

The increase in investments represents subscriptions to British Government loans, the proceeds of which were to a great extent expended in this country.

Net profits for the year were 17.87 per cent on the capital, as compared with 16.48 per cent last year; or 8.66 per cent on combined capital and reserve, as compared with 7.90 per cent last year.

The year's remarkable results are attributed to four causes—prosperous conditions in Canada and the West Indies, the advantageous location of our branches, co-operation on the part of the Directors, and a loyal and efficient staff.

President's Address.

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:

In view of the comparative uncertainty with which Canada necessarily looked forward to the year just passed, it is specially gratifying to be able to present so excellent a statement as that before you to-day. It undoubtedly exceeds any previous exhibit. Our total assets have increased during the year fifty-five million dollars. Seven years ago there were sixty-seven millions; to-day they are two hundred and fifty-three millions.

In keeping with the fixed policy of the bank, the ratio of liquid assets to liabilities to the public has been maintained at a high percentage. The rate at the close of the year was 53.24 per cent against 49.03 per cent at the end of the previous year. No matter how rapid the bank's extension, we have not in the past departed from this cardinal principle, and we do not intend to in the future.

We are not singular, however, in respect of the years' growth. The wonderful prosperity of the country was reflected in the assets of Canadian banks in general, the total increase amounting to two hundred and fifty-five millions. This prosperity is not confined to those engaged directly or indirectly in the supplying of war materials. It is widely diffused, as may be seen by the record bank clearings, the congestion of railway traffic, the general activity in every department of wholesale and retail trade, and the great volume of exports. Labor is scarce and never commanded higher wages. Commodity prices have attained a level comparable only with civil war times in the United States. The following is a statement of some present prices compared with those of twelve months ago.

	1915.	1916.
Wheat, per bushel	\$1.00-\$1.10	\$1.70 (av.)
Copper, Ingots, per lb.	20½	31-32
Pig Iron, per ton	25.00	41.00
Steel Billets, per ton	42.50	50.20
Steel Rails, per gross ton	23.00	38.00
Structural Steel, per ton—bars	54.60	76.20
Structural Steel, per ton, plates	56.00	99.00
Structure Steel, per ton, shapes	48.40	77.60
Staple Cotton, per lb. . . . .	.12	.17
Wool, per lb., Lincoln Clothing . . . . .	.38	55-60
Wool, per lb., South Downs . . . . .	.46	.75
Wool, per lb., Merino . . . . .	.70	1.25
Soie Leather, per lb. . . . .	.41	.63
Print Paper, per ton	40.00	60.00
Wood Pulp, per ton	15.00	40.00
Sulphite, per ton	38.00	100.00

The list might be extended indefinitely. Abnormally high prices are enriching the producer and manufacturer, but profits are not so large as might appear on account of material increases in the cost of production.

Post-War Conditions.

Meanwhile, the liabilities of manufacturers and others to their bankers are greatly reduced—in many cases wiped out—and large credit balances created. This is a very satisfactory situation, as working capital now accumulated will be of great utility on the return of peace. We should bear in mind that there is no permanence in war prosperity; that it is war business which has so accelerated the wheels of industry; and the termination of this must react on industrial activities with far-reaching results. Factories employed exclusively in this connection will close down. Kindred industries stimulated by high prices will suffer by the establishment of more ordinary conditions. Exports will decline as Europe imports less, and commodity prices will recede. Labor will become a glut on the market, aggravated by the return of soldiers in large numbers. All this appears certain to follow the establishment of peace, and the longer the war endures the more drastic will be the depression, because of the greater economic exhaustion of Europe and the effect upon her buying power. We have already seen the stock markets convulsed by a most improbable suggestion of peace.

However, after the first shock of readjustment, we may expect a great demand for our farm products, building material, farming implements, etc., etc., in the rehabilitation of Europe. Pending this demand and in preparation for depression in business that must occur the prudent man will put his house in order.

The war is now in its third year and prospects of peace in the near future are not bright, but the people of Canada are increasingly determined to help at any cost to bring about a complete victory for the Allies.

Quebec Bank.

The Quebec Bank, incorporated in 1818, whose assets we have recently acquired, was one of the oldest banks in Canada. Until a few years ago its operations were confined to Ontario and Quebec—

principally to Quebec, in which province it had a valuable connection. As we had very few branches in this province, the acquisition of their connection was specially desirable. Our branches now number over 400. The fifteen Quebec Bank branches closed by us were located mostly in leading western cities where we are duplicated, and the resultant saving will be considerable. The closing of these offices gave us over one hundred men, of whom we were in great need to supplement the staff at other offices.

You will be asked to-day to pass a resolution increasing the number of directors from seventeen to twenty, in order to include three of the Quebec Bank Directors.

You are aware that the capital was rounded off to \$12,000,000 during the year by the issue of 4,400 shares allotted to the shareholders at par. The issue of shares in connection with the Quebec Bank purchase has placed it again at an odd figure, namely, \$12,911,700. As the outstanding circulation of this bank and the Quebec Bank at the highest point in December last was approximately \$10,000,000 in excess of the present paid up capital, it may become expedient to increase the capital further. It is expected, however, to make no issue before the end of the war, or until conditions warrant an increase on terms favorable to the shareholders.

Last winter six of your directors, including the Managing Director and myself, made a tour of inspection of our branches in the South. None of us had previously visited any branch south of Cuba. We returned most favorably impressed with the excellent connection acquired in Cuba, Porto Rico, Santo Domingo, Costa Rica and the British West Indies by many years of patient work. It was distinctly advantageous to obtain a personal knowledge of local conditions, and to meet our leading customers. We were pleased with the buildings erected by the bank and our locations in general, and were happy to learn that the bank is held throughout the South in the highest esteem.

We also visited the republics of Venezuela and Colombia. Since then we have opened one branch and will open two others forthwith in Venezuela, where the outlook is promising. We were gratified to receive from Viscount Grey, the late Foreign Secretary, his approval of the establishment of branches in that country, and a promise of support from the British Government.

Managing Director Deals With General Situation.
In seconding the motion for the adoption of the Directors' Report, Mr. T. L. Pease, Vice-President and Managing Director, said:

"The President and General Manager having reviewed the bank's position, I shall refer briefly to some aspects of the general situation. The financial and economic strength developed by Canada since the beginning of the war is little short of marvellous. In the first 17 months she evolved from a debtor to a creditor country, with a balance of \$296,706,000 in her favor. In the past twelve months the balance has reached \$329,000,000. More remarkable still is the transition from an habitual borrower in London to a lender to the Imperial Government, coincident with the raising of large domestic loans.

In July, 1914, before the war, the percentage of liquid assets of the associated banks to their liabilities to the public, as it is commonly determined, was 43.34. On November 30, 1915, this percentage stood at 50.85, and on November 30, 1916, at 57.73. During the period between November 15, 1915, and December 15, 1916, the Dominion Government floated two domestic loans of \$100,000,000 each, the first of this character put out in Canada. The banks underwrote \$25,000,000 of the first loan and \$50,000,000 of the second, but were relieved of the latter underwriting as public subscriptions aggregated \$200,000,000. Despite withdrawals of savings for investment in these loans, and the fact that during the same period the Canadian banks advanced the Imperial Government \$100,000,000 (expended for munitions of war in Canada and still current), their combined deposits on November 30th last were \$232,000,000 greater than at the beginning of the year, and the liquid percentage was higher. Of the increase in deposits \$122,000,000 was in the Savings Department in Canada. This extraordinary showing is due to large expenditures for munitions; to a rich harvest; to the sale of surplus wheat (estimated at 30,000,000 bushels), from the previous year's bumper crop at very high prices; and to the sale in the United States of \$75,000,000 Dominion Government and \$75,000,000 miscellaneous securities. It is probable, however, that a large proportion of these security sales represented renewals of obligations. Be that as it may, the accession of national wealth has been great.

It was a wise and courageous departure of the Government to take advantage of the great improvement in the monetary situation in Canada to float internal loans. The vigorous response by the public was a general surprise, both offerings being subscribed for twice over. The benefit of the investment of the country's savings in our own Government bonds is obvious. It is estimated that not over \$35,000,000 of these issues went to American investors. Another notable feature of the times is the loan of \$100,000,000 made by the associated banks during the year to the Imperial Government on Treasury Bills at twelve months' date for the purpose of purchasing munitions. Since the close of our fiscal year \$20,000,000 additional at six months' date has been advanced by a syndicate of six banks, including ourselves for the purpose of buying wheat and storing it over the winter. A further munitions credit of \$50,000,000, having a cur-

gency of twelve months has also been recently extended. The affording of credits to the Imperial Government will have a very beneficial influence on Canadian finance, and the possession of short date British Treasury Bills will place the banks after the war in a very strong position.

Co-Operation Given by Canadian Bankers' Association.

The great factor in support of the financial situation in Canada since the beginning of the war has been the collaboration of the chartered banks, through the intermediary of the Canadian Bankers' Association, with the Minister of Finance. They may be depended upon to co-operate loyally in assisting the Minister to the utmost limit, having due regard to the needs of commercial borrowers and the maintenance of proper liquid reserves, in his arduous task of financing Canada's war. The banks are also co-operating with the Minister of Agriculture in his praiseworthy efforts to increase production and expand the country's live stock trade. To this end liberal advances are being extended to breeders of cattle. As a result of their combined action, the Department of Agriculture has been instrumental in turning back to the farms of western Canada from Winnipeg and other stock yards in the last three months over 9,000 head of cattle and 1,400 sheep which would otherwise have been slaughtered or shipped to the South. It is interesting to note the large diversion of cattle from the Winnipeg Stock Yards to the prairies instead of to the United States. In 1915, 44,975 head were shipped South; in 1916, only 21,124. In 1915, there were shipped from the Winnipeg Stock Yards to the prairies 9,380, and in 1916, 29,246. Likewise the Minister of Trade and Commerce will receive the hearty support of the banks in his campaign to develop our foreign trade in preparation for after-war competition. It will be seen that the Canadian Bankers' Association is endeavoring to further the interests of the community by every means in its power, and I am pleased to say that at no time in its history has there been greater unanimity among the members.

Compared with the marvellous crop of 1915, the harvest of last year was very disappointing in volume, but in value it approached the previous year, owing to the abnormal prices which prevailed. A small crop with high values is not so beneficial on the whole as a large crop with lower values, as the proceeds of the larger crop are more widely disseminated. The farmer received unusual returns last year, and no one will begrudge the wealth which has come to him. High prices for all grains prevailed from the beginning of the harvest. Usually prices rule lowest during the harvest.

Canada's wonderful progress during the year is summarized in the following comparative statistics:

	1915.	1916.	
Value of field crops—			
(Dec. 31)	\$797,669,000	\$729,346,000	Dec. \$68,323,000
Railroad earnings—			
(June 30), 12 months	210,000,000	258,000,000	Inc. 48,000,000
Bank Clearings—			
(Dec. 31)	7,796,781,000	10,557,188,000	Inc. 2,760,407,000
Note Circulation—			
(Nov. 30)	124,153,000	148,198,000	Inc. 24,045,000
Chartered Banks—Deposits—			
(Nov. 30)	1,288,985,000	1,521,340,000	Inc. 232,364,000
Chartered Banks—Current Loans—			
(Nov. 30)	881,101,000	927,399,000	Inc. 46,298,000
Exports—Merchandise—			
(Nov. 30), 12 months	598,742,000	1,073,509,000	Inc. 474,767,000
Imports—Merchandise—			
(Nov. 30), 12 months	435,342,000	744,403,000	Inc. 309,061,000
Customs Receipts	87,618,000	136,160,000	Inc. 48,542,000

Our foreign trade last year, you will observe, exceeded \$1,800,000,000, being nearly double the amount for the previous year, and nearly two and a half times as great as in 1914. These abnormal figures are due to enormous munition orders and high prices for commodities. All our energies should be directed to counterbalancing the loss of these orders on the return of peace as far as possible by supplementary exports. In addition to revealing to us our economic power, the war has created a great opportunity in the field of foreign trade. The primary essentials to success in this direction are immigration, which should be stimulated to a sufficient extent to provide for a large development of our natural resources, and encouragement by the Government in some form to industrial interests, without which, as a young manufacturing country, it would be difficult to take full advantage of the coming opportunity to enter competitive markets.

We believe the present prosperity will probably continue while the war lasts, to be followed by an inevitable reaction during the readjustment period. But with the triumph of the Allies—a foregone conclusion—a new era of prosperity will eventually come to us. We should have less to fear from the readjustment if the people of this country would curb their propensity to reckless speculation and extravagance in this time of plenty.

Bank's Record Overseas.

A vote of thanks was passed to the President Vice-president and Directors; also to the General Manager and staff. In replying to the latter, Mr. C. E. Neill, General Manager, said:

In thanking you on behalf of the staff, I must first refer to those who are absent on military duty. The number enlisted from our ranks is now 762, and we have heard of 92 casualties—45 wounded, 38 killed or died of wounds, 1 missing, and 3 prisoners of war. I take this opportunity of expressing publicly our sense of loss, and our sympathy for the relatives of those who will not return.

To those who are fighting our battles unflinchingly in the midst of inconceivable hardship, we owe a heavy debt of gratitude; and we feel that this is realized by none more keenly than the men who bear the brunt of their departure to a great extent. I refer to the many officers who are putting forth splendid efforts with unflinching cheerfulness, under increasing duties. It is not easy to conduct the busi-

ness, without so many of our trained men. The depleted ranks must be filled almost entirely by junior clerks and by girls, without banking experience, and the labors of our trained men are thus intensified. Had we not been able to secure the services of a large number of capable girls as clerks, the staff situation would have been serious indeed. The total number of girls employed on all posts has grown to 715.

As for the Executive Officials, your approval is naturally a matter of importance and an added encouragement. We endeavor to use our best efforts at all times in the interests of the bank, and it is pleasant to know that we enjoy your confidence.

In connection with the staff, one thing above all others must be borne in mind—our moral obligation to do the very best we can for our men returning from the front. The war is wearing down the fine edge of our feelings in some respects, but it must not be allowed to so dull our sensibilities that we could ever accept the sacrifices of our men as a matter of course. There are problems ahead for us in dealing with them as we wish to deal, but we are fully prepared to give the future of these men our most serious consideration.

Board of Directors.

The following were elected Directors for the ensuing year:

Sir Herbert S. Holt, K.B.; E. L. Pease, E. F. B. Johnston, K.C.; Jas. Redmond, G. R. Rowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C.; W. J. Sheppard, C. S. Wilcox, A. E. Dymont, C. E. Neill, M. B. Davis, G. H. Duggan, C. C. Blackadar, J. T. Ross, R. MacD. Paterson, G. G. Stuart, K.C.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-president and Managing Director, and Mr. E. F. B. Johnston, K.C., Second Vice-President.

NATIONAL CITY BANK OPTIMISTIC.

The National City Bank of New York, in its January circular, declares that the end of the war is not yet in sight, but when it comes opportunities to extend business will be improved.

COMMERCE AGENT DIES.

The sudden death of J. P. Bell, Senior Agent at New York of the Bank of Commerce, is announced. Mr. Bell was one of the bank's oldest and most efficient employees.

GLUE SUBSTITUTES.

(Wall Street Journal).

The skill of the chemist is gradually crowding the animal world from its hitherto undisputed position as the chief source of supply for certain of mankind's products.

He has found a substitute for hides in the artificial leathers which are rapidly supplanting the natural product in all of its uses. Tallow and stearin have found their commercial equals in the vegetable oils which the manufacturer and housewife are unanimous in acclaiming "without flaw." Even butter is being displaced by oleomargarine and butterine as well as other substitutes.

The American Chemical Society has recently conducted a survey of the matter of glue production and finds that with the cost of all animal products at a higher level than they have ever been in this country the use of glue substitutes is becoming general. Animal glues have more than doubled in price from what they were selling at before the war and while this condition was brought about entirely by the way, it is expected that in normal times animal glues will have a relatively higher cost value than ever before.

A wide range of industries is depending almost entirely on glue substitutes including those of wall paper manufacture, paper box manufacture, leather goods manufacture, textiles and book binding. Substitutes for animal glues are being successfully employed in increasing amounts each year and are entirely supplanting the much higher priced animal product.

Joseph H. Griffin, has been chosen president of the Chicago Board of Trade to succeed himself.

UNION BANK OF CANADA'S ASSETS INCREASE TWENTY PER CENT.

Eighteen and a Half Millions of Dollars added to Bank's Business in a single year—Total now exceeds 109 Millions Institution in a very strong liquid position and Rendering Extensive Aid in Financing of the British Munition Business in Canada.

While the public is accustomed to expect growth in the deposit business of any Canadian Bank at the present time it is still capable of being surprised at such an exhibit of swift and all-round growth as is presented by the Union Bank of Canada in its annual statement for the year ending November 30th, 1916. This institution has managed to reap considerably more than its proportionate share of the harvest of increased wealth in the hands of the public.

The assets are now in excess of 109,000,000; in 1915 they were 90,663,000; in 1914 they were 51,561,650; a growth of over 20% in one year and of more than 33% in the two years together.

For the year 1916 alone the non-interest-bearing deposits show a growth of more than eight millions, the interest bearing deposits of nine and a half millions, and the note circulating of more than a million.

The assets of the Bank are very largely in the form of cash and liquid securities the demands for commercial accommodation being still moderate and many business firms having reduced or retired their banking indebtedness during the year out of their cash profits.

Owing to this strength in liquid assets (which amount to about 56½ millions against a round hundred millions of public liabilities) the bank is enabled to render important services to the Canadian and Imperial governments in the financing of the munition business. Its holdings under the heading of Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian amount to \$14,445,700; against only 395,350 a year ago, and it is understood that the increase is almost entirely due to British Treasury issues in connection with war orders. The bank has also much increased its holdings of Dominion bonds.

Profits for the year were little changed from those of 1915, \$651,184; against \$659,688; and were subject to the same deduction \$150,600; for Contingent accounts. They sufficed for the payment of the regular dividend and bonus totalling 9% on stock and for war tax, Pension Fund grant and a donation to the British Sailors Relief Fund. This bank has maintained its dividend and bonus throughout the war, kept up its Pension Fund Appropriation, and made full provision for taxes, donations, depreciation and Contingent accounts, all out of current profits, and still has a profit balance larger than at the end of 1915.

THE IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY OF CANADA.

The contingent reserve fund of the Imperial Guarantee and Accident Insurance Company now amounts to \$20,000,000 and the surplus to policyholders is \$286,030.74, which, together with the uncalled subscribed capital of \$800,000.00 makes the available security for all contracts \$1,106,030.74, said the president of the company, in his report read before the shareholders at their 12th annual meeting held in Toronto on January 12th.

The assets of the company, which has had a most successful year, now amount to \$447,933.43 and the investments are all first-class securities bearing good interest.

NO REWARD FOR GERMAN CRIMES!

The very smallest concession that the world can afford to allow to Germany, if it is to provide for its own safety hereafter, is that Germany shall emerge from the war intact; the very least that Europe must insist upon and America hope for is that there shall be no reward for the crimes Germany has committed and no booty carried away and held as a result of the assaults upon Belgium, Serbia and France.

Directors of the Wm. Neilson Company have declared a bonus of 4 per cent on the common stock, payable February 1st to record January tenth. This disbursement will involve a distribution of twenty thousand. The company is said to have just closed one of the best years in its history.

The Canadian Bank of Commerce

ESTABLISHED 1867

PAID UP CAPITAL - \$15,000,000 RESERVE FUND - - \$13,500,000

HEAD OFFICE --- TORONTO

BOARD OF DIRECTORS

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.	Z. A. LASH, Esq., K.C., LL.D., Vice-President.
JOHN HOSKIN, Esq., K.C., LL.D., D.C.L.	ROBERT STUART, Esq.
J. W. FLAVELLE, Esq., LL.D.	SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.
A. KINGMAN, Esq.	G. F. GALT, Esq.
HON. SIR LYMAN MELVIN JONES.	WILLIAM FARWELL, Esq., D.C.L.
HON. W. C. EDWARDS.	H. C. COX, Esq.
E. B. WOOD, Esq.	
JOHN AIRD, General Manager.	H. V. F. JONES, Assistant General Manager.

BRANCHES IN CANADA

44 in British Columbia and Yukon. 88 in Ontario. 81 in Quebec. 129 in Central Western Provinces. 23 in Maritime Provinces.

BRANCHES AND AGENCIES ELSEWHERE THAN IN CANADA

St. John's, N.B. London, Eng. New York. San Francisco. Portland, Oregon. Seattle, Wash. Mexico City.

The large number of branches of this Bank enables it to place at the disposal of its customers and correspondents unexcelled facilities for every kind of banking business, and especially for collections.

SAVINGS DEPARTMENT

Connected with each Canadian branch, Yukon Territory excepted, and interest allowed at current rates.

BANK OF COMMERCE ANNUAL.

With the annual meeting of the Canadian Bank of Commerce held in Toronto a few days ago, that well known institution closed fifty years of business in Canada. In the half century in which the Bank has been doing business, it has grown from a small institution to one of our strongest banks with total assets of \$288,000,000. During the past year the Bank showed net profits of \$2,439,000 which with \$467,000,000 a balance carried forward in the previous year, made \$7,000,000 available for distribution.

An examination of the Bank's statements shows that progress was made in all departments of its activities, and at the same time the Bank adapted itself to the changed conditions in Canada, and has done its full part in aiding in the financing of the war. A careful perusal of the remarks of the President and of the General Manager will not only inspire confidence in the readers, but furnish them with an intimate knowledge of Canada's economic condition.

U. S. GOLD PRODUCTION.

Gold production of United States in 1916 was valued at \$92,316,400, a decrease of \$8,719,700 from 1915. Silver production last year was 72,883,800 ounces, a decrease of 2,077,275 ounces from 1915. California led in gold production with \$22,110,700 and Montana was largest producer of silver with 14,751,000 ounces.

MORE MONEY FOR MUNITIONS.

Additional \$50,000,000 credit from Canadian banks to imperial government, for the purchase of munitions and supplies in Canada, under negotiation during past fortnight, has been definitely arranged, making a total of \$250,000,000 provided by banks to the government for above purpose within a year.

Mr. Charles Cassils has been elected vice-president of the Bell Telephone Company of Canada, of which he has been a director for many years. He succeeds the late Hon. Robert Mackay.

THE BEST SHOCK ABSORBER.

The best "shock absorber" on earth in such a situation as exists today is a generous bank balance. Large corporations everywhere are securing this sort of protection, for never before has the closing month of a year witnessed such huge cash accumulations as the great industrial interests are providing themselves with. It takes more money to do business these days than it ever did before, for the changes of the war period have forced us to support great undertakings which have made us think in terms of billions rather than thousands or millions. Most of the problem of high living costs arises from the fact that some forty million people, who were formerly producers, have been suddenly changed into consumers. But this situation will right itself in time, as it is engaging the attention of the best minds in the land.

Money and credit have been too cheap. A check to speculation and a rise in interest rates are both wholesome influences at the moment. The recent temporary but sharp rise in call money rates emphasized the extent to which excess reserves in New York City had been absorbed by the strain of unprecedented commercial operations, coincident with abnormally heavy speculation and, as a new element, large foreign Government financing.—William A. Law, President First National Bank, Philadelphia.

SOCIAL INSURANCE.

The State of Massachusetts is about to adopt a system of state insurance modelled somewhat after the Lloyd George system in England. The Governor has handed to the State legislature recommendations in which he crystallizes an elaborate discussion of the principles of "social insurance," and of conditions which he views as calling for it, into recommendations of a compulsory system of health insurance providing a reasonable benefit during non-employment from illness, and to deserving persons over 70, without children to support them or more than \$200 annual income, a non-contributory annuity which shall not much exceed the \$35 maximum now paid in Great Britain.

GOLD AND SILVER.

The world's gold production in the last quarter of a century equals that of the preceding four hundred years, and the silver output since 1878 equals that of the preceding four hundred years. The gold money of the world has doubled in the last twenty years, and the silver money of the world has decreased one-half in the same period. These facts are shown in a compilation by the Foreign Trade Department of the National City Bank of New York, suggested by the exceptionally high price of silver, of which the United States is now the world's largest producer, and the large inflow of gold, of which it has imported over \$600,000,000 since the beginning of the year 1916.

The total world production of gold from the discovery of America to the present time is, according to this compilation, \$16,500,000,000 in value, and that of silver \$15,500,000,000 in coining value. The gold money of all countries of the world, for which statistics were available in 1896, aggregated \$4,144,000,000, and on January 1st, 1916, \$8,253,000,000; silver money of the same countries was in 1896 \$4,237,000,000, and in 1916 \$2,441,000,000. The "uncovered paper" money of the countries in question was stated in 1896 at \$2,556,000,000, and in 1916 at \$8,583,000,000, all of these above statements being made upon the authority of the Director of the United States Mint.

B. N. A. OFFICIALS HONORED.

Four former employees of the Bank of British North America have been honored for duty at the front. They are:

Major T. P. Jones, of the Brantford Branch, Distinguished Service Order.
Captain F. W. Miller, of the Brantford Branch, Military Cross.
Lieut. R. J. H. Gattrell, of the London, Eng. Office, Military Cross.
Lieut. W. I. H. Kippen, of the Toronto Branch, Military Cross.

Henry Hague Judah has been elected a director of the Montreal City and District Bank to fill the vacancy caused by the death of Hon. Robert Mackay.

THE DOMINION BANK

HEAD OFFICE - TORONTO
 SIR EDMUND B. OSLER M.P., President
 W. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

The London, England, Branch
 of
 THE DOMINION BANK
 at
 73 CORNHILL, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.

A UNIVERSAL COIN.

(By Henry Hazlitt in Commerce and Finance).
 George E. Roberts, of the National City Bank, and former director of the United States Mint, is one of those who have risen to the defence of gold. In an address delivered last week before the American Economic Association at Columbus, he said: "It was a triumph of civilization to bring practically the whole world to the use of one standard of value, and the same influences that brought it there, step by step—country by country, feeling its way—will keep it there."

There will be a further step. The countries of the world have harmonized their standard of value; they will have to harmonize their coinage systems. It is absurd that the United States should use a different coinage system from that of England, that France should use a different one from that of the United States, and that Germany should use a different one from that of France. It is a cause of endless inconvenience, and a barrier in the way of international commerce. A tourist must become acquainted with each coinage system in turn, and get cheated in the process of becoming acquainted. Exporting concerns must make special pricelists for every foreign country, and employ experts for calculating the equivalents.

Most ridiculous of all is the effect of the different standards on the foreign markets, through which international payments are effected, and through which balances of trade are cleared. Foreign exchange is intrinsically no more complex than domestic exchange. But by the maintenance of varying standards among nations, and by customs and methods of quotation which, without assignable reason, survive among foreign exchange bankers, the subject is made to seem infinitely complicated. When we quote English pounds we quote the number of dollars that would be required to buy a pound. This at parity, is \$4.86 (plus an indefinite number of further decimal figures). But when we quote German markets we do not quote the number of dollars (or the number of cents) required to buy four marks. And when we turn to French francs we quote not the number of dollars that will buy a franc, but the number of francs that will buy a dollar.

If the nations of the world agreed to adopt a universal standard coin (probably approximating in value the English shilling, the American quarter, the French franc and the German mark), all these inconsistencies and inconveniences could be eliminated.

There could be no respect-worthy political opposition to such a plan. No nation would secure undue advantage. All would benefit equally. They would not even have to adopt the same coinage systems. Each nation could stamp its standard coin in its own way, and could call it by its own name: all that would be necessary would be for all nations to make the value of the coin (in terms of gold) the same. England, as now, could make her next largest coin twenty times the value of the standard; and this country, as now, could make it four times the value.

Here would be a real step toward international unity and progress.

Mr. Charles W. Casella has been elected a member of the Montreal Stock Exchange. He is a son of Mr. Charles Casella director of the Bell Telephone Company.

An Estate Free of Debt

Many investors purchase real estate by means of instalments, payable monthly or yearly, thus making absolute ownership possible in time.

In the event of death before the payments are completed, however, the estate is bequeathed encumbered with debt, and the heirs may not be able to continue the payments.

And it might easily result that the whole of the investment would be lost to the beneficiaries.

Life insurance also constitutes an estate payable by instalments, but death ends the obligation to make payments, and the estate is handed down intact.

Every man who has dependent relatives or friends should have a substantial portion of his investments in the form of life insurance, since the payment of the first premium creates for them an estate free of debt.

THE MUTUAL LIFE ASSURANCE
 Company of Canada
 WATERLOO ONTARIO

... THE ... Molsons Bank

Paid-up Capital \$4,000,000
 Reserve Fund \$4,800,000

HEAD OFFICE: MONTREAL

Besides its 96 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the World, offering its clients every facility for promptly transacting business in every quarter of the Globe.

Edward C. Pratt, General Manager

THE HOME BANK OF CANADA ORIGINAL CHARTER 1854

Branches and Connections Throughout Canada.

HEAD OFFICE AND NINE BRANCHES IN TORONTO

Montreal Offices:
 Main Office, Transportation Building, St. James St.
 Bonaventure Branch, 523 St. James Street.
 Hochelaga Branch: cor. Cuvillier and Ontario Sts.
 Verdun, Que.

THE BANK OF BRITISH NORTH AMERICA

Established in 1836
 Incorporated by Royal Charter in 1847.

Paid up Capital \$4,868,665.63
 Reserve Fund \$3,017,333.33

Head Office: 5 Gracechurch Street, London
 Head Office in Canada: St. James St. Montreal

H. B. MACKENZIE, General Manager

Advisory Committee in Montreal:
 SIR HERBERT B. AMES, M. P.
 W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.
 Agents for the Colonial Bank, West Indies, Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

SAVINGS DEPARTMENT AT ALL BRANCHES

G. B. GERRARD, Manager, Montreal Branch

BANK OF HAMILTON

Head Office: HAMILTON

CAPITAL AUTHORIZED \$5,000,000
 CAPITAL PAID UP 3,000,000
 SURPLUS 3,475,000

THE Royal Bank of Canada

Incorporated 1869

Capital Authorized \$25,000,000
 Capital Paid up \$12,900,000
 Reserve Funds \$14,300,000
 Total Assets \$270,000,000

HEAD OFFICE: MONTREAL

SIR HERBERT S. HOLT, President
 F. L. FEASE, Vice-President and Managing Director
 C. E. NEILL, General Manager

360 Branches in CANADA and NEWFOUNDLAND; 48 Branches in CUBA, PORTO RICO, DOMINICAN REPUBLIC COSTA RICO, VENEZUELA and BRITISH WEST INDIES

LONDON, Eng. NEW YORK
 Princes Street, E. C. Cor. William and Cedar Streets

SAVINGS DEPARTMENTS at all Branches

BANK OF VANCOUVER HOLDERS TO PAY.

An order of the Supreme Court calling on the shareholders of the Bank of Vancouver (in liquidation) to pay calls to the extent of \$282,296, has been made by Chief Justice Hunter. This represents the sums due on the list of contributories already settled as balances due on the purchases of stock.

No claim is made as yet under the double liability clause.

Those shareholders who are serving as soldiers will for the time being be exempt.

We shall be glad to look after that part of your private affairs that you find irksome and troublesome, such as letting of houses, collection of rents, &c.

Communicate with

THE PRUDENTIAL TRUST COMPANY LIMITED

Head Office - Montreal

Branches and Agencies:
 Toronto Winnipeg Regina Edmonton
 Quebec St. John Vancouver
 Halifax London, Eng.

WORTH REMEMBERING.

(Oswego Times).

Let us always remember that hope in us kindles hope in others, that smiles beget smiles, that trust creates trust, that goodness awakens goodness, that love awakens love, and that in unseen but sure ways integrity, strength and honor in us plant seeds of honor, strength and integrity in numberless other lives, many of whom we may know nothing of.

Comments on Current Commerce

By E. S. BATES

Restricting Passenger Travel.—The recommendations made by the Dominion Railway Commission involving the cutting down to essential services the passenger train business of this country will undoubtedly be welcomed by the business interests. Even the man-on-the-street is becoming familiar with the difficulties faced during the past year through congestion of freight. The railways have found it impossible to cope with the situation in the West, and the movement of grain has been seriously hampered. In the East the congestion is even more serious. Freight is accumulating, terminals are full and the movement is wholly out of proportion with requirements, with the inevitable results, dislocation and inconvenience in business. The shortage of coal in many parts of the country is becoming most serious, due solely to the inability of the railroads to move the freight. The reduction in the number of passenger trains would release engines and train crew for the freight branch of the traffic, and would undoubtedly do much toward facilitating freight movement and thereby render more cars available for freight movement. The move has been taken none too soon. The restriction on passenger travel, while not sufficient to seriously inconvenience those whose business demands travel, will surely have a deterring effect on pleasure seekers. It is a step in the right direction toward efficient organization of our entire forces behind our armies in the field.

Prohibition in Ontario.—So long as liquors can be obtained anywhere in the Dominion those residing in the dry provinces who want the stuff will get it, no matter how great the inconvenience. It is said that Montreal merchants worked long hours overtime filling orders from Ontario points for thousands of boxes of wines and liquors to be shipped in time for the holiday season just ended. So great was the business out of Toronto that the express companies were entirely unable to handle the traffic in anything like a normal manner. Around Christmas time, it is stated, car after car of the stuff lay several days awaiting space in the express sheds for unloading. Shipments took as long as five days coming from Montreal, and special permission to deliver on Sunday had to be obtained in order to relieve the congestion, and incidentally the excessive thirst of the Torontonians. Perhaps the Railway Board will take further steps and place a ban on such unnecessary traffic, which assuredly must hinder the movement of more needful commodities of commerce.

Canada's Wool Industry.—Over one and three quarter million pounds of domestic wool were handled co-operatively last season. The total Canadian clip amounts annually to about eleven million pounds, so that the extent of the co-operative movement appears rather small. However, when the nature of the industry is considered, as well as the short time the movement has been in progress, it will be seen that excellent progress has been made. The co-operative work is directed by the officials of the Live Stock Branch of the Federal Department of Agriculture. Their efforts during the past three years have been chiefly in the West, although good work has been done in Quebec and the Maritime Provinces. Some five thousand farmers are now connected with the movement. The live stock officials advise the members of the various wool growers' associations now formed regarding the grades of sheep found most profitable for each district, the manner in which the wool should be prepared for the market, and efficient methods of sheep husbandry. The wool is collected under the direction of these officials into central warehouses, graded by expert graders and sold to the woolen mills or wool dealers. Last year the highest market prices were obtained for the wool handled in this way, and the big returns through the high prices prevailing were most encouraging to the farmers. This year the work will be greatly extended. Among the difficulties with which the officials have had to contend, especially during the past two years, is the conservation of the flocks. The exceptionally good demand for mutton has been a great attraction inducing farmers to sell their stock on the hoof, and the officials have experienced great difficulty in convincing the majority of the farmers of the folly of this action. It is expected that over two million pounds of domestic wool will be handled co-operatively next season.

The Paper Industry.—Paper manufacturers do not appear anxious regarding the outcome of the efforts made by newspaper publishers in this country and the United States toward government restriction on prices. Although they admit that the cost of production has not advanced in anything like the same proportion as prices of the finished product, they argue that the prevailing high prices are the result of abnormal demand in the United States due to the cessation of imports from Europe and the prosperous condition of the country. They state that government control of paper prices would surely bring demands from other industries using commodities which have also advanced in price, notably steel rails, locomotives, etc. But it is assured that the United States government at least does not mean to take any radical steps. The proposition outlined to the Federal Trade Commission, which will probably be accepted, is that the government undertake the distribution of the paper production of the Continent and that the mills should not accept any further contracts for delivery during 1917 than they now have on their books. The government will have to pay the prevailing market prices, but they can make such distribution that the smaller newspapers will not be compelled to pay exorbitantly high prices for their requirements, as they are now doing. Hundreds of small newspapers in the United States have been compelled to cease publication because of their inability to secure sufficient paper to fill their needs, even at prices around eight cents a pound. Canada is not so badly off. Even here, however, prices are very high and the day of the one cent paper is rapidly passing into history. Perhaps, the situation will work out to the general benefit of the newspaper fraternity.

A New Weekly.—Coincident with the current prosperity of the pulp and paper mills of this country, and the general expansion of the industry, the first issue of the "Pulp and Paper Magazine", as a weekly and under new editorial management has just made its appearance. This magazine has made rapid strides during the past few years, keeping up the pace set by the pulp and paper manufacturers of the Dominion. It has assumed a leading place among the technical trade papers of the World, and the present step is surely the fore-runner of further efforts toward giving Canadian paper mill-men the best there is in the field of trade journalism. The first issue contains just the class of material that is sure to interest and benefit the industry. A strong policy is assured if the first issue of the present year can be taken as criterion. A stirring condemnation of the efforts of stock promoters to make capital out of the present prosperity of the industry to the detriment of the future welfare of the industry is a marked feature. The stand taken appears to be greatly in the interests of the industry, and should be well backed by the right thinking members of the industry. Over-capitalization and watered-stock are dangerous burdens, and such prosperity as the industry is now facing tends to attract the class of promoter who is an artist at this work. Canada has had many excellent examples of his work, and the paper industry has not been free from his efforts in the past. Expansion, yes. But not the sort that cripples industry for years to come. The publishers of the "Pulp and Paper Magazine" deserve high commendation on their enterprise, and the thanks of the entire industry on the stand they have taken in connection with current financing methods.

Reconstructing Northern France.—A committee of the French Cabinet has been busy on plans involving the reconstruction of that portion of Northern France now occupied by the enemy and ravished by the war. From advices already to hand, it appears that the plans embrace a carefully prepared programme for restoration of normal conditions immediately after peace is restored. The number of refugees to be repatriated has already been reported, and provisions are made for the return of these refugees as quickly as possible. The rebuilding of the industries and dwellings in these districts has received careful attention. This work will be done under the direction of the Minister of Commerce who will form a private organization to handle funds advanced by the government and to distribute merchandise. Cattle now kept in the

camp at Paris will be supplied to the northern farmers, and steps are being taken looking to victualing the districts affected. It is proposed to construct portable houses, and the government is making large purchases of agricultural machinery which will be distributed among the farmers. Millions of dollars worth of property has been destroyed. It is estimated that in the textile industry of Northern France alone the destruction of property and the loss of material involved amounts to over six hundred million dollars. Other industries have suffered in proportion. Canada has inquired into the needs of this district through a special trade commission which investigated the field last summer. The report of this commission should contain much valuable information for Canadian manufacturers.

Trade Conditions After the War.

In his address to the shareholders of the Royal Bank, Sir Herbert Holt drew a sorry picture in his forecast of the upheaval that will follow the cessation of hostilities. In his opinion, the termination of war business must react on industrial activities with far reaching results. He said, "Factories employed exclusively in this connection will close down. Kindred industries stimulated by high prices will suffer by the establishment of more ordinary conditions. Exports will decline as Europe imports less, and commodity prices will recede. Labor will become a glut on the market, aggravated by the return of soldiers in large numbers. All this appears certain to follow the establishment of peace, and the longer the war endures, the more drastic will be the depression because of the greater economic exhaustion of Europe and the effect upon her buying power." But we do not find this opinion echoed among the rank and file of Canadian manufacturers and business-men. Rather, that the ill-effects from the dislocation of business in the reconstruction to follow the war will be tempered by the steps now being taken to prevent any serious dislocation. Industry generally is finding time to study after-the-war conditions. During the past three years merchants' shelves throughout this country have been stripped bare, and the replenishing of these stocks will require for a time the entire energies of Canadian industrial and business enterprise. There will be a certain dislocation of prices, but the demand both here and abroad will certainly be so great that the decline will be gradual. People must be clothed and fed, and the world's stocks of both clothing and food-stuffs have been reduced to a minimum. Canada has prospered during the war period, and in order to be in a position to withstand foreign competition once the wheels of industry in Europe are running smoothly again, Canadian industries must equip with the latest and best machinery obtainable. Expansion must be started immediately in order that we shall be in a position to meet foreign competition. The reconstruction of Europe will begin immediately peace is restored. That much is assured. The demand for the products of our basic industries will be great in proportion to the work to be done, and in such products our export trade is assured. The labor market will require reconstruction after the war, but with the opening of new farming areas, construction of public works again started, railways to build, and industry active, the demand for labor will be so great as to prevent any hardships. The cessation of hostilities will undoubtedly mean the upsetting of present conditions to a certain extent, but the old adage, "an ounce of prevention is worth a pound of cure," has close application to the present state of affairs, and we look to the far-sightedness of the business community of the world to prepare for after-the-war conditions to such a degree as to prevent a great and far-reaching depression.

THE 1917 OUTLOOK.

C. W. Barron, of the Wall Street Journal, replying to query of New York American as to the business outlook for 1917, says: "There is no outlook for 1917 as a year; there is only an outlook for the first six months, which will be months of fighting in Europe, war prosperity in the United States, and continued high prices."

UNION ASSURANCE SOCIETY LIMITED

OF LONDON, ENGLAND

FIRE INSURANCE SINCE A.D. 1714

Canada Branch, Montreal:
T. L. MORRISEY, RESIDENT MANAGER.

North-West Branch, Winnipeg:
THOS. BRUCE, BRANCH MANAGER.

AGENCIES THROUGHOUT THE DOMINION

Success and Progress

These are two outstanding features of the history of the North American Life over the past 30 years.

Year.	Income	Payments to Phldrs.	Assets.	Assurance in Force.
1885	153,401	38,016	343,746	4,849,287
1895	581,478	105,712	2,300,518	15,779,385
1905	1,660,064	533,827	6,968,014	37,580,047
1915	2,749,951	1,386,025	15,716,889	56,245,318

This is a rapidly growing institution and offers an attractive opportunity for a live agent.

NORTH AMERICAN LIFE ASSURANCE COMPANY

"Solid as the Continent."

Head Office, Toronto, Ont.

Founded in 1803

THE LAW UNION AND ROCK INSURANCE CO. LIMITED

OF LONDON

ASSETS EXCEED \$48,000,000.
OVER \$12,500,000 INVESTED IN CANADA.
FIRE & ACCIDENT RISKS ACCEPTED.

Canada Head Office:

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Agents wanted in unrepresented towns in Canada

J. E. E. DICKSON, Canadian Manager.

W. D. AIKEN, Superintendent Accident Dept.

The Independent Order of Foresters

Policies issued by the Society are for the protection of your family and cannot be bought, pledged or sold.
Benefits are payable to the beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies Issued From \$500 to \$5,000

TOTAL BENEFITS PAID (Over).....\$50,000,000

FRED. J. DARCH, Secretary.
ELLIOTT G. STEVENSON, President.

S. H. PIPE, F. A. S., A. I. A.,
Actuary.

WESTERN ASSURANCE COMPANY

INCORPORATED 1851

Fire, Explosion, Ocean Marine and Inland Marine Insurance.

Assets Over - - - \$4,000,000.00

Losses paid since organization, over - - - 63,000,000.00

HEAD OFFICE - - - - TORONTO, ONT.

W. R. BROCK, President.
W. B. MEIKLE, Vice-Pres. & Gen. Man.

QUEBEC PROVINCE BRANCH:
61 ST. PETER STREET, MONTREAL
ROBERT BICKERDIKE, Manager

The London & Lancashire Life and General Assurance Association, Limited

Offers Liberal Contracts to Capable Field Men

GOOD OPPORTUNITY FOR MEN TO BUILD UP A PERMANENT CONNECTION

WE PARTICULARLY DESIRE REPRESENTATIVES FOR CITY OF MONTREAL

Chief Office for Canada:
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HOWARD S. ROSS, K.C. EUGENE R. ANGERS
ROSS & ANGERS
BARRISTERS and SOLICITORS
Cristine Building, 20 St. Nicholas St., Montreal

Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 24th January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

H. A. RICHARDSON,

General Manager.

Halifax, N.S., December 15th, 1916.

The MONTREAL CITY & DISTRICT SAVINGS BANK.

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, 176 St. James Street, on Monday, the twelfth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements, and the election of Directors.

By order of the Board.

A. P. LESPERANCE,

Manager.

Montreal, January 8th, 1917.

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability).

DIVIDEND NO. 56.

The regular four-weekly dividend of 1% upon the outstanding capital stock has been declared payable 29th January, 1917, on which date cheques will be mailed to shareholders of record at the close of business on 30th January, 1917.

DATED 12th January, 1917.

D. A. DUNLAP,

Secretary-Treasurer.

LIFE INSURANCE GAINS.

Special reports received during December from 85 life insurance companies stating the amount of their new business during the first eleven months of 1916, in comparison with the business written during the corresponding period of 1915, are tabulated by the Insurance Press as follows:

11 months, 1916	\$1,610,026,758
11 months, 1915	1,294,671,072

Gain in 1916 \$ 315,355,686

The gain shown by these figures was about 25 per cent, but complete returns are likely to show a gain of something more than 25 per cent as the figures of several important companies that are known to have written relatively large amounts of new business in 1916 are not included in the compilation.

With scarcely an exception the life insurance companies reported a very successful year. The total volume of new life insurance business in 1916 probably exceeded \$4,000,000,000.

DIVIDEND NOTICE

THE STANDARD BANK OF CANADA

QUARTERLY DIVIDEND NOTICE No. 105

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st day of January, 1917, and that the same will be payable at the Head Office of this City, and at its Branches on and after THURSDAY, the 1st day of February, 1917, to Shareholders of record of the 22nd of January, 1917.

The Annual General Meeting of Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the 28th of February next, at 12 o'clock noon.

By Order of the Board,

G. P. SCHOLFIELD,

General Manager.

BLACK DIAMOND FILE WORKS

Established 1863 Incorporated 1897

Highest Awards at Twelve International Expositions. Special Prize, Gold Medal, Atlanta, 1895

G. & H. Barnett Co.

PHILADELPHIA, Pa.

Owned and Operated by NICHOLSON FILE COMPANY



PROFESSIONAL

THE REV. M. O. SMITH, M.A., WILL ADVISE with fathers concerning the instruction and education of their sons. No. 544 Sherbrooke St. West. Or telephone East 7202, and ask for Mr. Kay.

IMPERIAL BANK OF CANADA

DIVIDEND NO. 106.

Notice is hereby given that a Dividend at the rate of twelve per cent (12%) per annum upon the paid-up Capital Stock of this Institution has been declared for the three months ending 31st January, 1917, and that the same will be payable at the Head Office and Branches on and after Thursday the first day of February next.

The transfer books will be closed from the 17th to the 31st January, 1917, both days inclusive.

By Order of the Board,

E. HAY,

General Manager.

Toronto, 20th December, 1916.

The Canadian Bank of Commerce

Report of the Proceedings of the Annual Meeting of Shareholders,
Tuesday, 9th January, 1917

The fiftieth Annual Meeting of the Shareholders of the Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 9th January, 1917, at 12 o'clock.

The President, Sir Edmund Walker, having taken the chair, Mr. H. V. F. Jones 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:

REPORT

The Directors have pleasure in submitting to the Shareholders the fiftieth Annual Report for the twelve months ending 30th November, 1916, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward from last year, was \$ 461,892.25
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to 2,439,415.17
\$2,901,307.42

This has been appropriated as follows:

Dividends Nos. 116, 117, 118 and 119, at ten 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	150,000.00
War tax on bank note circulation to 30th November	147,288.33
Transferred to Pension Fund (annual contribution)	80,000.00
Subscriptions:	
Canadian Patriotic Fund	\$50,000.00
British Red Cross Fund	5,000.00
British Sailors' Relief Fund	5,000.00
Sundry subscriptions, including Northern Ontario Fire Relief Fund and War Hosp. etc., etc.	11,700.00
	71,700.00
Balance carried forward	802,319.09
	\$2,901,307.42

The usual careful revaluation of all the assets of the Bank has been made and every debit entry may be considered as bad or doubtful has been fully provided for.

Although this is the fiftieth report presented to you, the first half century of the Bank's history will not be completed until next May, owing to the date of the original charter having twice been changed. The Bank commenced business on the 1st day, 1867, and the first Annual General Meeting of the Shareholders was held on the 6th day, 1868. In 1887 the date of the Annual Meeting was changed to the 12th day, and in 1901 to the second Tuesday in January, the date which it has since retained.

During the past year new branches have been opened: in British Columbia—Vancouver, in Alberta—Murrayville; in Saskatchewan—Tularem, in Ontario—Simonsville and Thorold; in Quebec—Drummondville. The business of the branch at Galtway, Sask., has been transferred to Riverhurst, Sask. Sub-agencies have been opened at Birch Hills and Speers in Saskatchewan, at Beigny, Ont., and at Glen Sutton, Que. The sub-agencies at Bishop, Green, Clonson and Warden, all in the Province of Quebec, are now being treated as branches, and the branch at Bic, Que., has been made a sub-agency of Rimouski. The following branches have been closed: in British Columbia—Rock Creek and Summerland; in Alberta—Maurich and Strathmore; in Saskatchewan—Laird and Outlook; in Ontario—Port Stanley, South Porcupine and Yonge and Eglinton (Toronto); in Quebec—Chicoutimi, St. Denis and Duluth (Montreal) and St. Remi. Since the close of the Bank's year a branch has been opened at Willow Brook, Sask., and a sub-agency at Richard, Sask.

Your Directors have made subscriptions of \$50,000 to the Canadian Patriotic Fund, \$5,000 each to the British Red Cross Fund and the British Sailors' Relief Fund, \$3,000 to the Northern Ontario Fire Relief Fund and smaller sums, amounting in all to \$8,700, to various organizations, principally of a patriotic character, which are seeking to alleviate the suffering arising out of the great war. The call for such help is insistent and we assume our share of the burden in a spirit of gratefulness that Canada has been spared so much.

The auditors appointed by you at the last annual meeting have made the audit required by Section 56 of the Bank Act and their report is appended to the statement presented to you to-day. As usual, the branches and agencies of the Bank in Canada, the United States, Great Britain, Newfoundland, Mexico, and the departments of the Head Office have been inspected during the year by the staff of our Inspection Department.

It gives the Directors pleasure again to express their satisfaction at the zeal and ability with which the officers of the Bank have discharged their respective duties.

JOHN AIRD, General Manager, Toronto, 29th December, 1916.
B. E. WALKER, President.

GENERAL STATEMENT

30th November, 1916

LIABILITIES.

Notes of the Bank in circulation	\$ 19,259,347.68
Deposits not bearing interest	62,484,072.27
Deposits bearing interest, including interest accrued to date	167,412,079.88
	\$229,896,152.15

Before moving the adoption of the Report, the President called on the General Manager to address the shareholders:

General Manager's Address.

The shadow of the great European war has been the dominating influence in business affairs during the year through which we have just passed. No important new transaction could be undertaken without considering the effect of the war, and in the conduct of the affairs of a great fiduciary institution such as a bank it has been necessary to give more consideration to the factor of safety than to the factor of profit. Under these circumstances we feel that you will be well content with the results which

we lay before you to-day.

The Bank's profits for the year under review were \$2,439,415, an increase of \$87,380 over the figures of the preceding year, a trifling sum when you consider the increased amount of business on which it has been earned, and the great activity which has prevailed throughout the year. We have felt it our duty to render a large amount of assistance in their financing to both the Imperial Government and the Dominion Government, and as rates of interest on this class of business are naturally low, profits have been reduced correspondingly.

Increased Turnover.

Apart from this, however, there has been a

greatly increased turnover during the past year which is not reflected in an increase of the profits of the Bank, and this tendency towards a steady reduction in profits has been apparent for some years past. The ratio of our profits to total average assets during the five years ending 1915 ranged from 1.45 per cent to 1.13 per cent, but in almost every year the tendency has been downwards.

We have paid the usual dividends at the rate of ten per cent per annum, with bonuses of one per cent at the end of each half year; the war tax on our note circulation has called for \$147,288, the Officers' Pension Fund for \$80,000, and sundry subscriptions for patriotic purposes for \$71,700, leaving a balance

Balances due to other Banks in Canada	141,317.42
Balances due to Banks and Banking Correspondents elsewhere than in Canada	5,021,882.49
Bills payable	2,186,836.68
Acceptances under Letters of Credit	2,092,640.13
	\$258,598,176.55
Dividends unpaid	2,084.12
Dividend No. 119 and bonus, payable 1st December	525,000.00
Capital Paid up	\$ 15,000,000.00
Reserve Account	13,500,000.00
Balance of Profits as per Profit and Loss Account	802,319.09
	29,302,319.09
	\$288,427,579.76

ASSETS

Gold and Silver Coin Current	\$ 20,975,529.83
Dominion notes	19,315,476.00
Deposit in the Central Gold Reserves	6,000,000.00
	\$ 46,291,005.83
Notes of other Banks	1,630,360.00
Cheques on other Banks	9,668,098.71
Balances due by other Banks in Canada	1,389.86
Balances due by Banks and Banking Correspondents elsewhere than in Canada	7,201,798.13
	\$ 18,501,646.70
Dominion and Provincial Government Securities, not exceeding market value	2,781,960.86
British, Foreign and Colonial Public Securities and Canadian Municipal Securities	17,282,911.96
Railway and other Bonds, Debentures and Stocks, not exceeding market value	7,810,461.73
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	14,725,133.07
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada	21,141,335.85
Deposit with the Minister of Finance for the purposes of the Circulation Fund	806,964.42
	\$129,341,420.42
Other Current Loans and Discounts in Canada (less rebate of interest)	133,738,131.21
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	16,504,418.23
Liabilities of Customers under Letters of Credit, as per contract	2,092,640.13
Overdue Debts (estimated loss provided for)	230,738.30
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	\$ 1,264,458.34
Less mortgage assumed	100,000.00
	1,164,458.34
Mortgages on Real Estate sold by the Bank	389,411.53
Bank Premises at cost, less amounts written off	5,139,457.26
Less mortgage assumed on property purchased	300,000.00
	4,839,457.26
Other Assets not included in the foregoing	126,904.34
Other Assets not included in the foregoing	126,904.34
	\$288,427,579.76

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

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:

We have audited the above Balance Sheet and compared it with the books 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, 1916, and found that they were in agreement with the entries in the books of the Bank relating thereto.

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

T. HARRY WEBB, C.A.
of Webb, Read, Hegan, Callingham & Co.

JAMES MARWICK, C.A.
of Marwick, Mitchell, Peat & Co.

Auditors.

of credit of Profit and Loss of \$802,319 to be carried forward to the accounts of next year. As long as present conditions continue we must, I fear, accept a low rate of profit, and it is, of course, possible that there may be still further depreciation in the market value of securities, so that we think it wise to carry forward a large balance in Profit and Loss account. During the past year the values of investment securities have depreciated further, which is only natural as long as the governments of the great nations engaged in the war are obliged to increase the rates of interest which their securities bear. Up to the present, however, we have not found it necessary to add to the sum of \$1,000,000 reserved last year for possible further depreciation, and we believe that we have provided for anything which is likely to occur.

Larger Note Circulation

The notes of the Bank in circulation show an increase of \$2,861,000 over the figures of the previous year. Throughout the year the note circulation of the chartered banks has been unprecedentedly high, due partly, no doubt, to the high prices prevailing for almost all commodities and partly to the activity in business arising from the large orders for merchandise and munitions placed in Canada by the Allied Governments. In the general increase of note circulation this Bank has had its full share, and the demand upon our supply of notes has been much greater than had been anticipated. Almost throughout the year our note circulation has been in excess of paid-up capital and beyond any figures heretofore reached in our history.

Growth in Deposits

Our deposits show a satisfactory growth, the increase being \$35,373,000, of which over \$25,000,000 is in deposits bearing interest; these include the savings of the people and are therefore less subject to fluctuation than demand deposits not bearing interest. Through the medium of our Monthly Commercial Letter we have endeavored to impress upon the public mind the necessity for the exercise of economy to a degree never before known in Canada, and we should like to think that some part of the increase to which we have just referred has been due to the advice thus given. Canadians cannot too often be reminded that only by the universal exercise of economy and thrift to an extent to which they have in the past been strangers, and by the setting aside of what is thus saved for investment in Government loans or as bank deposits, can we do our share to provide the wherewithal necessary to carry the war to a victorious conclusion.

Strong Cash Reserve

Our total holdings of coin and legal are \$46,291,999, an increase of \$6,389,000 over the figures of a year ago, but of this sum \$6,000,000 is represented by a deposit in the Central Gold Reserve to cover the issue of note circulation in excess of our paid-up capital already referred to. These holdings of cash represent 18.5 per cent of the total of our deposits and 17.9 per cent of our view of the necessities of war conditions we are sure that you will approve our policy of keeping strong in this respect. Our immediate available assets total \$199,000,000, or 50 per cent of our deposits and fifty per cent of our total liabilities to the public. The largest increase in any one item composing this amount is in British, foreign and colonial securities, etc., which show an increase of over \$15,500,000 and include the securities purchased and held for the advances which we have made to the Imperial Government to finance their purchases in the Dominion. There has been a slight increase of \$858,000 in our holdings of Dominion and Provincial securities and a decrease of \$1,802,000 in our holdings of railway and other bonds, debentures and stocks. We have thought it desirable in view of the exigencies of the war and of the requirements of the Governments of Great Britain and Canada, to realize on these securities as opportunity offered. This has seemed the more advisable because of the doubtful outlook as to the future trend in the value of such securities.

Assist Home Industry

Notwithstanding the advances we have made to the governments of our own country and Great Britain for the purposes of the war, we have not found it necessary to decrease the assistance which we render to the ordinary business of the country. Indeed, our total current loans at the date of the statement before you amounted to \$186,109,000, an increase of over \$13,800,000 as compared with the figures of a year ago. It has always been the policy of this Bank to consider as one of the principal aims which should be kept before the executive, that it should render the utmost possible assistance to the development of Canadian trade and industry. We have not failed in this duty during the year just past.

Liquidation of Debts

The total of overdue debts shows a considerable decrease and stands at a lower figure than for a number of years back and at only about half the amount of last year. This is doubtless due to general liquidation of indebtedness, brought about in part by the satisfactory results of the crops for the last two years and in part by the prosperity arising out of the war. There has been little change in the figures of Bank Premises account. The slight increase is chiefly due to the purchase of sites for some of our smaller branches. Our total assets show a growth of \$38,000,000 and now amount to the large sum of \$288,427,000. It is interesting to note that this is about ten times the total assets in the balance sheet of twenty years ago when they stood at \$28,596,000. The increase alone during the year just past has exceeded the total figures of the whole Bank at that time by no less than the sum of ten million dollars.

Few Branches Opened

The number of our branches stands at 376 as against 374 a year ago, the smallest increase in many years, indicating the policy which has prevailed in this respect. Until the war is over and the future of the branches we now have been

made clear, we shall doubtless continue to mark time in this respect.

The number of our shareholders continues to increase in a gratifying manner. At the date of the closing of our books we had 6,648 as against 6,341 last year, an increase of about 300, principally in the Provinces of Ontario, Quebec and Nova Scotia.

Conditions in Mexico

There has not been much change in the situation in Mexico during the year. Business has naturally been affected by the events of the past few years in that country, and one of the results is that the two chief arteries of commerce, namely, finance and transportation are blocked. The majority of the banks which formerly operated in the country are closed and the currency is in a chaotic condition. For the present we continue to transact such meagre business as the situation will permit, keeping in view always the uncertainties of the future. Our standing in the community is excellent, and were a stable government once restored, we have no doubt that the vast natural resources of Mexico would soon rehabilitate her commerce.

During the year we were called upon to join with the other banks in underwriting a part of the Second Canadian 5 per cent War Loan, maturing in 1931. The wonderful success of this loan is now a matter of history and must have been most gratifying to the Minister of Finance.

The Staff

The members of the staff number 2,976, as shown in the following comparative table:

	30th Nov., 1916	30th Nov., 1915	31st July, 1914
Officers on regular staff	1,806	2,170	2,513
Temporary clerks	187	61	3
Temporary women clerks and stenographers	352	23	2
Stenographers and women clerks on regular staff	373	344	378
Messengers	258	230	232
	2,976	2,828	3,212

in addition to which we have 368 janitors, making a total of 3,344 persons employed by the Bank.

The changes in personnel indicated by the above figures are eloquent of the burden which has been laid upon the shoulders of the older members of the staff to maintain our organization at a satisfactory level of efficiency and, at the same time, to assist in the training of the unusually large percentage of the staff which is without any previous experience. At the 30th of November, 1,207 of our officers had enlisted as against 748 a year ago, representing about sixty per cent of the male staff, and it is interesting to note that 264 of our officers have attained to commissioned and 168 to non-commissioned rank in the army.

Further Enlistments

Not only has it been necessary to cope with the immediate difficulties arising from a depleted staff, but provision has had to be made as well for the additional strengthening of our ranks in order to meet with some degree of preparedness the problem of future enlistments. One expedient adopted to meet the exigencies of the case has been the employment of temporary men clerks, of whom we now have 187, and of women clerks, both permanent and temporary, the number of women on our staff having increased during the past year from 367 to 725.

With a staff thus augmented to an unusual degree by untrained and inexperienced workers many problems have arisen and the task of distributing the burden as equitably as possible has been by no means easy. Furthermore, an inexperienced and untried staff must mean a staff enlarged beyond normal requirements and a consequent addition to the cost of operation. These, however, are conditions inevitable in times such as we are passing through, and we can testify to the ready and cheerful manner in which we have been supported by the staff generally in dealing with them.

Their Supreme Sacrifice

Since our last annual meeting an additional fifty-nine brave and promising young men of our staff have laid down their lives on the field of battle. Our complete casualty list as at December 31st is as follows:

Killed	84
Wounded	175
Missing	8
Prisoners	9
Ill	20
	296

We have received many indications that our men are measuring well up to what is required of them and are capable of taking their full share in the wonderful operations at the front which are thrilling the world. Six of our officers have been awarded the Military Cross and three more have been recommended for it.

Staff at Home

We do not think that it would be fair thus to express our pride in our banker soldiers without adding a further word in commendation of the staff at home. While we will have to expect that some of them will take up military duty, we are satisfied that those who have remained at home thus far have been actuated by the highest motives; indeed, the work of the Bank could not be efficiently carried on without retaining the services of many men who in other respects would be available for military service.

Trade With Italy

A year ago you were advised that we had placed the facilities of this Bank at the disposal of our Italian allies for the purpose of receiving from their citizens in this country subscriptions to a war loan. The situation in Italy to-day is a very interesting one. The foreign trade of that country has grown very largely during recent years. The trade of Germany with Italy gradually overtook and then surpassed that of Great Britain, which was

formerly the largest. The war, so far as Italy is concerned, has brought with it a serious dislocation of commercial intercourse, and the necessity of finding fresh sources of supply in allied and neutral countries is very pressing. With the active support and financial assistance of the British Government, there was formed during the year, in London, a company called The British Italian Corporation, Limited, which is intended, in collaboration with its Italian counterpart, The Compagnia Italo Britannica, to work for the furtherance of commercial intercourse between the British Empire and Italy. Among its objects will be financial participation in enterprises which are likely to result in an exchange of products between the two countries and generally to facilitate the growth of British trade with Italy. The project has the support of an important Italian bank, the Credito Italiano, and of two large English banks, the London County and Westminster Bank, Ltd., and Lloyds Bank Limited, and in view of the prospects of an increase in trade between Italy and Canada we have subscribed for a certain amount of stock. We shall watch the development of this enterprise with great interest and in the hope that it may lead to mutually profitable commercial relations.

Build Dominion Trade

Similar projects with others of our allies are also under discussion, and if the opportunity is given us we shall probably avail ourselves of it to a reasonable degree. It is by such international arrangements that we are hopeful of helping to build up after the cessation of hostilities the foreign trade of the Dominion.

After the War

As to the future it is obvious, we think, that after the war finance will be more liquid, inasmuch as the warring powers are not likely to attempt to float any more new loans for many years to come. They will naturally, we believe, content themselves with funding at long dates their floating and short dated debts. Before the war money was gradually increasing in value, and there will be within the Empire many new enterprises as well as others held up temporarily which will require financing. How soon these will come into the market to borrow will depend upon the willingness of the public and of financial houses to encourage bona fide enterprises by reasonable rates for money. It will be natural for a Britisher to invest his savings in our own securities, particularly at the rates of interest which are likely to prevail. We shall, therefore, watch this situation with increasing interest as future development at home and abroad may depend upon the willingness of capitalists and others to accept a lower return from such investments than they can obtain under present conditions by simply investing their surplus funds in government and similar securities.

The President then spoke as follows:

President's Address

I shall not apologize as I did a year ago for asking you to devote your attention to the material affairs of Canada at a time when the Empire and its Allies are fighting for the greatest of all causes — the liberty of the world. Canada has in that short time so enlarged her sphere of action that only the blind could fail to see that every detail of our national life which aids or hinders our power to serve in the great conflict is of supreme importance. In the terrible winter of 1914-15 we did not realize that our ally was to count for much in the struggle greatly as we desired to help. We did not really believe, despite the warning of Kitchener, that the war would still be raging in 1917 with the end not nearly in sight. Now we do not talk of any definite time for the end; we only know that the last man, the last gun, the last dollar, may be needed but that we shall win beyond any peradventure if the people in all the allied countries can be made to understand what is required of them.

Exports Exceed Imports

Turning at once to our trade with other countries, that being the best indication of the tendency of affairs at the moment, we find that, leaving out the shipments of gold and bullion, both inwards and outwards, our exports for the fiscal year ended 31st March, 1916, exceeded our imports by \$249,088,274, and that for the six months ending 30th September, 1916, the excess was \$141,100,898. We cannot keep in mind too clearly what has happened since the end of our period of expansion in 1913, and a repetition of the figures given last year will aid us to do so.

Fiscal Year	Imports	Exports
1912-13	\$66,515,536	\$377,062,255
1913-14	635,383,222	455,437,224
1914-15	497,376,961	461,442,509
1915-16	530,211,796	779,300,070
Six months ended Sept.	405,901,765	547,002,663
	Excess	Excess
Fiscal Year	Imports	Exports
1912-13	\$309,447,181	
1913-14	179,945,998	
1914-15	35,934,452	
1915-16		\$249,088,274
Six months ended Sept.		141,100,898

The improvement from year to year is as follows:

1913 to 1914	\$129,501,183
1914 to 1915	144,011,546
1915 to 1916	285,022,726
1913 to 1916	\$588,535,455

For the six months of the present year the gain over the astonishing figures for the first half of last year is nearly another 100 millions.

The gain of 285 millions in our foreign trade as compared with March, 1915, is almost all due to the increase in the value of the exports, the increase in the imports being only 32 millions.

Effective Economy

If we are really to exercise an effective economy we should be very jealous as to the nature of any imports not necessary for the production of war sup-

plies or for our national existence. There is some improvement in this respect, but it is not pleasant to see about 10 millions sent abroad for motors and about as much more for silk goods and velvets. The chief increases are in iron and steel bars and goods, and in iron ores, in machinery, in wool, cotton and jute and goods made therefrom, in raw rubber, in various chemicals, oils, explosives, etc., needed for making munitions, in various articles for the army and navy, and to a considerable extent in foodstuffs, so that apparently the chief increases are in necessary articles, although we regret that many of them were not made in Canada. There is a large increase in our exports under every general heading, especially under manufactures, mining, agriculture and animals and their products. The total of our imports and exports of merchandise in the fiscal year ending March, 1916, was \$1,309,511,866, against \$241,925,360 in 1896, that being also a period of excess exports. This enormous foreign trade is, of course, coincident with a great decline in all domestic trade not connected with the war, and is swollen largely by purchases of steel and other material imported from the United States, to be used here in making munitions; the money result is abnormal because of the high price of almost every known commodity. In putting forward the figures here, however, as a guide to what may be possible after the war, I am putting them forward as an indication of what may be accomplished when we are spurred by great events. The financial ideal for us at the moment is to pay interest on our foreign indebtedness, to provide our share of the cost of the war, and to lend as much as possible to Great Britain, to pay for munitions made for her by Canada. We are, apparently, accomplishing this, but in the absence of figures, we cannot estimate what amount of profit from our home trade is eventually invested in war securities. We are, however, being helped to accomplish this result in a manner which may deceive us, by the large market in the United States for our securities, and also by the many subscriptions received from our wealthy neighbors when issues of our own war loans are made in Canada.

An Enlarged Market.

The sales of Canadian bond issues for the eleven months of 1916 are of peculiar interest, showing how completely our reliance for the placing of our securities is now transferred from Great Britain to the United States and to our own greatly enlarged market. The following statement has been prepared for us by the Dominion Securities Corporation:

Securities.	Total.	Sold in Canada.
Municipal	\$49,100,575	\$13,567,055
Railway	15,920,000	.....
Governments	209,545,300	\$3,350,000
Miscellaneous Corporations	24,750,000	6,050,000
Public Service Corporations	5,900,000	.....
Canadian Co's operating in Foreign Countries	7,500,000	.....
Total	\$302,715,875	\$102,967,055
	<i>Sold in U. States.</i>	<i>Sold in G. Britain.</i>
Municipal	\$35,533,520	.....
Railway	15,920,000	.....
Governments	117,195,300	.....
Miscellaneous Corporations	10,700,000	\$8,900,000
Public Service Corporations	5,900,000	.....
Canadian Co's operating in Foreign Countries	7,500,000	.....
Total	\$192,748,820	\$8,900,000

It will be seen that the actual sales in Canada of Government bonds are considerably less than the amounts offered to the public in Canada. To the extent thus shown buyers in the United States have eventually become the owners of these issues. Since August, 1914, Canadian securities to the extent of about 50 millions of dollars, which had been sold in Great Britain or elsewhere in Europe have been returned. These have been either directly resold or the nature of the issues re-arranged and about one-half has found a new market in the United States, the remainder being absorbed in Canada. The figures of such transactions are now included in the statement of new issues.

United States Gold Stock.

The affairs of the United States are necessarily of ways of great interest to us, but never more so than at the present time, and I hope that every shareholder will read attentively the carefully prepared report of our New York Agent. During the past year the United States has added to her gold stock, after deducting exports, about 400 millions in gold and is now estimated to possess the huge sum of about \$2,750,000,000 in that metal. From information obtained in the United States we learn that the imports of gold from Canada for the ten months ending October were 385 millions of dollars. This was, of course, almost entirely on Imperial Government account. With the enormous volume of war business, the increase of credit made possible by the new Federal Reserve Bank Act and this influx of gold, trade has so increased that in many lines of business each month establishes a new record. An estimate of the foreign trade of the United States, given by our New York Agent, places the excess of exports over imports from August, 1914, to September, 1916, at \$4,158,000,000. This is said to be almost equivalent to the amount of United States securities held abroad before the war, and it is estimated that by the end of September securities of all kinds had been returned to the value of \$2,400,000,000, so roughly about \$1,600,000,000 remained abroad. Of this remainder the proportion which can be made available for British war finance is too uncertain to form a basis for an opinion of any value. Great Britain, however, holds a vast amount in the securities of countries other than the United States. I have seen the statement that about ninety per cent of the present exports from the United States arises from war requirements. If this is even approximately correct we can imagine the vast additional increase in wealth if the war continues

much longer, and the extent of the collapse in trade if it does not.

United States War Trade.

The receipts of gold, therefore, have been huge, notwithstanding the acquiring of so large an amount of United States securities. Co-incident with this there has been such an expansion of credit that bank reserves are not as comfortable as they were a year ago, and the Federal Reserve Board has sounded a note of warning which takes the form of a caution against the purchase of British and French Treasury Bills. This was immediately followed by the withdrawal of an issue at that moment about to be offered to the public. The United States has benefited more by the sale of war supplies of all kinds than any other nation, and because of this they ought to be the main source of credit for such supplies. Where merchandise is produced credit as a rule must be extended, otherwise trade will decline. Great Britain, because of the enormous production of gold within the Empire, is the only country that can buy largely for cash, although she also must have liberal credit extended to her while the war lasts. The United States for the time being, however, will sell goods to the Allied countries for cash or will lend against collateral, but will not grant credit in the ordinary sense. What they fear is a sudden collapse of the trade in war supplies, but such a collapse would be the natural result of the advice of the Federal Reserve Board is literally followed.

Agricultural Production.

The only direction in which the tide of prosperity in the United States is not at the full is in agricultural production. In a year when the world is facing the highest prices of recent times, the great decrease in the wheat crop, the moderate yields of corn and oats, the small yields of minor products, and the adverse effect of high-priced feed on the live stock situation, are matters of deep concern. The individual producer may be compensated, at least partially, for the low yield by the higher price, but no comfort for the consumer, weary of high prices, can be found in a world short of food and of almost every commodity that enters into his daily needs.

A matter of supreme importance to Canada, and for the frequent reference to which no excuse is needed, is that we must as far as possible provide the cost of the war at home.

Cost of the War.

At the end of October the war had cost us a little over 350 millions, and at our present rate of spending 300 millions more may be added during the coming year. From the excess of revenue over expenditure we may at the end of the fiscal year have 50 millions, or even more, to apply on war charges. To provide for so great a proportion of the total cost of the war in this manner reflects great credit on those who are responsible for Dominion finance. We have managed to finance the remainder of the cost thus far partly by an account with the Imperial Government for overseas and other disbursements, and partly by loans floated in Canada. Over 100 millions of the amount due the Imperial Government has been funded permanently and most of the balance is offset by payments on Great Britain's account. Some loans for ordinary capital expenditures which could not be deferred were made in New York in 1915. In March, 1916, a second loan was placed in New York amounting to 75 millions, of which 25 millions was used to take up a corresponding amount of the 45 millions borrowed in July, 1915. In September a second loan in Canada was offered. This time the finance minister asked for 100 millions, and the subscriptions exceeded 200 millions, the banks, receiving nothing on their underwriting of a portion of the loan. These are such notable achievements that I am sure they cannot have escaped the memory of any Canadian, but I mention them for the benefit of the very large number of people outside Canada who read our annual reports.

War Finance.

In this review of the finances of the year it is necessary to recall that the proceeds of the first war loan of November, 1915 100 millions were used mainly, if not altogether, in the year 1916. There is one feature in Canadian war finance which differs in a marked degree from that of Great Britain. Our Finance Minister has as far as possible funded the debt as it has been incurred, with maturities neither so long as to involve present rates of interest for too many years, nor so short as to trouble the Government during a period of some years beyond any probable duration of the war. One of the disturbing features of the finance of Great Britain is the enormous quantity of Treasury Bills which must be renewed at very short intervals.

Financing Munitions.

Next in importance to the question of our own war finance is the aid which has been extended to Great Britain by the placing in Canada of British Treasury obligations or of Canadian obligations given on account of the British Treasury. The Canadian manufacturer of munitions has not been asked thus far to take pay for his goods in the form of Treasury obligations—he has received cash—but some one had to take these obligations, because, clearly, Great Britain could not place orders for war supplies to the extent of hundreds of millions of dollars and immediately find the cash with which to pay for them. The help given by our Government in this way was apparently at least 100 millions, doubtless partially offset by the expenditures incurred by the Imperial Government on behalf of our troops, but as to this we have no precise knowledge. The banks have been the only source of assistance as far as we know, and they have already lent on these Imperial obligations 100 millions and have undertaken to lend an additional 100 millions during 1917. If, however, we are to execute the orders for war supplies which will be offered to us, and which it is our duty to undertake in order to aid in ensuring victory, we must be prepared to do very much more than heretofore. This is what

gives to the forthcoming campaign of thrift its fullest meaning.

Thrift for the Empire.

Thrift for the individual is excellent, but just now that is of minor importance. Thrift for the sake of Canada, thrift for the sake of the Empire, thrift to win the war should be our cry. We shall not fail for men, difficult as enlistment may be. We shall not fail because of inability to make or to procure war supplies. If we fail it will be because we have wasted on unnecessary things the money that would have won the war. The man or woman who works hard at making shells may take much comfort in helping to win the war, but the man or woman who saves a part of the present high wages due to the war and buys a war security, or helps a man to do so, has helped twice. The second kind of help is the most vital. The manufacturers of the United States will make war supplies for money. We are doing better only if we supply them on credit.

In addition to the credits for munitions, the Canadian banks are at the moment giving credits to the British Government for the purchase of wheat to the extent of 20 millions, but the transactions are for a shorter duration than the obligations already mentioned.

Bank Deposits.

The total of the deposits of Canadian banks at 30th November last was \$1,521,349,000 as compared with \$1,288,975,000 at the same date in 1914 an increase of \$232,364,000. Our deposits will, we trust, continue to increase, but the extent of the increase will depend on the results of the campaign of thrift, and only to a proportionate extent shall we be able to help in the way which we believe most vital in winning the war. We must of course bear in mind that the war securities held by the banks are only a part of the resources which are being used for war purposes and that the loans made to every manufacturer of war supplies have to be included to indicate the total extent to which their resources are so used.

Prosperity General.

The Review of Business Conditions which accompanies our annual report records prosperity beyond anything we have ever known in almost every part of Canada. This results from the existence of a market which needs almost everything we produce and which must pay almost anything the seller asks. If it is true that ninety per cent of the exports of the United States are a result of the war, much the same must be true of Canada and in addition a large part of our home consumption is due to the requirements of the Canadian army. As individuals, almost all are gaining by the war, except those with more or less fixed incomes and without power to adjust the same when prices are high, and those who are engaged in business not connected with war supplies. The money made by the individual, however, has, so far as the nation is concerned, to be provided by a war debt incurred partly by Canada and partly by Great Britain. We do not, like the United States, receive gold in exchange for a large part of our products, we even borrow from the United States part of the cost of the war.

The Dollar Saved.

If we could free ourselves from the habit of thinking of commodities merely in the terms of their money value, we should discover that what we are doing is to provide material to help our gallant sons and their fellow Britons to win the war, and that there is no one to pay for this material ultimately but ourselves and the Motherland. Therefore, in the monthly letters issued by this Bank we have constantly preached thrift in order to discourage people from spending that which as a nation we cannot afford to spend. We repeat once more that every dollar any Canadian saves, whether he buys a war bond therewith or indirectly enables the banks to do so, is one dollar more of power to win the war, and that particular dollar no one else can provide if he fails to do so. We are told by every one who visits England, and especially by those who have also seen the battle line and the conditions there, that in Canada we act as if no war existed.

Extravagance.

I have referred to the motors and the silks, but they are only examples of an extravagance which is observable in every direction. We should undoubtedly forbid, or at all events heavily penalize, the importation of all luxuries; municipal expenditures should be further curtailed and all projected improvements first submitted to the criticism of provincial commissions; we should not think it amiss if the expenditures of individuals at eating places are legally restrained and meatless days are instituted. I am not endeavoring to say in what directions economy should be enforced in Canada as it has been in England, but beyond a doubt it must be enforced in many directions if it is not voluntarily adopted by our people.

Production and Prices.

It is not easy to conjecture how far the prosperity of Canada is due to the activity in production of all kinds, to the ready market and high prices, and how far to the grain crop of 1915, a crop so extraordinary that it exceeded some estimates by seventy million bushels and our own by fifty-seven millions, but it is well to remember that our prosperity was due to both causes and that the crops this year have not been good. If we have throughout Canada, a fair average result, that is the best we can say of our agricultural and pastoral production. High prices will make up for this to the producer, but nothing can make up to the nation for the shortage of foodstuffs at such a time. The liquidation of debts following the great crop in the West, the improvement in the towns and cities of the prairie provinces and British Columbia, the growth in bank deposits, the marked improvement in railroad earnings, and the increase in the figures of every clearing-house in Canada, are all things so directly dependent upon the great crop that we must expect a lesser degree of prosperity in the West in 1917.

Clearing-House Figures.

Since 1913, when the largest figures up to that time were reached, the totals of the Clearing Houses have been declining in volume. During this year, however, they have expanded to figures much beyond anything hitherto recorded, the total being \$10,564,043,000, an increase over 1915 of 35.48 per cent, and over 1913 of 14.17 per cent. In the three principal cities the increases over 1915 range from 35 to 42 per cent, and over 1913 from 14 to 29 per cent. There are now twenty-five Clearing Houses in Canada, two having been established during the year, namely Kitchener and Sherbrooke.

We subjoin as usual the building permits for the four principal cities. Except in Montreal, they show a very considerable advance upon 1915, although they are still inconsiderable as compared with 1911 and 1913, the years of greatest expansion:

	1913.	1914.
Montreal	\$27,032,000	\$17,619,000
Toronto	27,033,000	20,672,000
Vancouver	10,423,000	4,484,000
Winnipeg	18,621,000	12,160,000
	1915.	1916.
Montreal	\$7,495,000	\$5,334,000
Toronto	6,651,000	9,882,000
Vancouver	1,593,000	2,412,000
Winnipeg	1,826,000	2,507,000

Industry and Research.

We are not now discussing after-the-war conditions so much as we did a year ago—we have realized that our first duty is to win the war—but there are matters which prudence demands should not be neglected. I am glad to see a very eminent man has been appointed as the head of a commission established by the Dominion Government for the purpose of scientific research in connection with our industries and our natural resources. We have on the one hand manufacturers craving for help in the questions arising in their business which depend on skilled knowledge in chemistry, physics, metallurgy and other branches of learning, and we have on the other laboratories and skilled members of the faculties of our universities keen to solve these difficulties. We want some local machinery to bring these two together, and our provincial governments, aided by our boards of trade, could bring this about. If both manufacturers and governments are willing to join in the expense, which ought not to be burdensome, a bureau which would receive such problems and determine the cost of investigating them would place us in a position to begin this great work at once.

Efficiency in Production.

We know that the future prosperity of the country with its load of war debt, depends upon greater production in the field, the pastures, the forests, the mines, the sea and in the workshops, and we cannot afford to be behind any nation in the world in efficiency when the fierce race for success in trade follows the war. In the West the provinces must spend liberally to improve agriculture and to encourage the increase of live stock, and whatever is possible must be done to enable the farmers to market their crops at the best time and to improve the conditions surrounding their homes. Nor can we afford to see the valuable fishing industry of British Columbia, which supplies forty per cent of our fish, decline on account of the unskilled methods employed in both the salmon and the halibut fisheries.

Making Munitions.

A year ago we were able to make a few not very well-connected remarks regarding the manufacture of munitions in Canada. We sought, however, to convey at least some idea of the scale on which we were working, and to indicate that there are very few of our industries that cannot aid in the cause. Although very many goods are being shipped and contracts carried out which do not come within the operations of the Imperial Munitions Board, the War Purchasing Commission, the Department of Agriculture, or the British War Office Purchasing Department at Montreal, such information as can be gathered as to the operations of these bodies is useful. The shipments through the Imperial Munitions Board comprise empty, fixed and complete shells, also fuses, brass cartridge cases, steel forgings, cordite, tri-nitro-toluol, etc. During 1916 the total disbursements were about 320 millions of dollars, and while we have no information on which to hazard an opinion as to the scope of operations for 1917, it is at least suggestive that the actual business completed during the year amounted to about a million dollars a day and that many manufacturers are only now ready to deliver certain kinds of shells to the full capacity of the plants established for the purpose.

Women Employed.

A year ago women were but little employed in making munitions, now they are working by thousands in munition factories, and while much delay was caused by the necessity of creating new shop conditions for them, this has been accomplished in many factories, and we can but hope that thousands more of our women will come forward for this work and thus release many men for the front. When we consider that there are 600 factories in Canada and Newfoundland from the Atlantic to the Pacific, all making munitions night and day, three shifts of eight hours, or for the women in some cases, four shifts of six hours daily, we can get some sense of the scale of operations. The supervision of all this requires between 3,000 and 4,000 inspectors and 600 other employees.

Our Soldiers' Equipment.

This is all on Imperial account, but we find that the work of the War Purchasing Commission appointed by the Dominion Government is on a similar scale. For the first year or more practically everything required for the upkeep of our army in England and France was supplied by Great Britain on our account. Since then we have tried to supply its requirements direct from Canada, although this is possible only in the case of some articles. We have no knowledge as to the total amount ex-

pendent by the Commission, but the following items will be interesting:—

Clothing, boots, etc.	\$35,000,000
Motor trucks and other vehicles	3,000,000
Accoutrements	3,000,000
Arsenal supplies, cartridges, rifles, machine guns and revolvers	17,000,000
Drugs and surgical instruments	1,000,000
Furniture, hospital supplies and stores	6,000,000
Transportation of troops to seaboard and to England over	10,000,000
Maintenance of men while in Canada, not including pay, about	35,000,000

The Commission has purchased about 3 million pounds of fresh fish, about half on Canadian and half on Imperial account.

War Purchases.
The purchases on Imperial account by the Department of Agriculture for the year 1915—amber, amount to 186,000 long tons of hay, 450,000 tons of oats, equalling nearly 30,000,000 bushels, and 187 tons of flour—the amount expended in this way being over \$37,500,000.

Among the purchases of the British War Office Purchasing Department at Montreal for the past year are the following items:

Cottons and woollens	\$1,000,000
Foodstuffs—cheese, canned meats and vegetables, etc.	20,000,000
Miscellaneous merchandise of iron and steel	1,500,000
Other miscellaneous merchandise	1,500,000
	\$24,000,000

There are, of course, thousands of articles not mentioned here which are made in Canada, the cost of which represents many millions; indeed, it is a most gratifying fact that Canada has been able to produce nearly everything required by our army, the exceptions being binoculars, machine guns, revolvers, motor trucks, and some less important articles.

Since the war began we have learned much in the workshop, in the chemical and physical laboratory, in the refinery, in the counting house, in finance, indeed in every walk of life. We have been able to form some estimate of our value among the forces of the Allies, from the boy in the trenches to the father at home who is backing his son in so many ways, but do we realize that what we do, or do not do, may turn the scale on which depends victory or defeat? Our responsibility for the future of the Empire and of Canada is so great that there is no room for slackness. We must do, not many things, but everything that will help to win the war.

The report was then adopted unanimously. The retiring auditors were re-elected by the shareholders, who also passed votes of thanks to the directors and staff of the Bank. Upon motion the meeting proceeded to elect directors for the coming year and then adjourned.

ROYAL BANK CHANGES.

R. L. Ritchie has been appointed manager of the Royal Bank of Canada at Halifax in the place of C. W. Frazee who has received the appointment of supervisor at Vancouver. Mr. Ritchie is at present manager at Winnipeg. He is a former Halifax man and a son of the late Judge Ritchie. Mr. Frazee leaves for Vancouver the middle of this month.

U. S. JANUARY DIVIDENDS.

Record breaking total of \$330,517,124 was paid in dividends and interest in January in United States, which compares with \$281,200,118 in January of 1915.

PROSPEROUS and PROGRESSIVE

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policy-holders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances totalling over \$265,000,000—much the largest amount carried by any Canadian Life Company.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE Dominion Savings AND Investment Society

Capital - - - \$1,000,000.00
Reserve - - - 235,000.00

T. H. Purdom, K. C. Nathaniel Mills
President Managing Director

Dominion Savings Bldg.
LONDON, CANADA.

AN IDEAL INCOME

can be secured to your Beneficiary with Absolute Security by Insuring in the

Union Mutual Life Insurance Company, Portland, Maine

on its

MONTHLY INCOME PLAN

Backed by a deposit of \$1,683,902.65 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

For full information regarding the most liberal Monthly Income Policy on the market write, stating age at nearest birthday, to

WALTER I. JOSEPH, Manager
Province of Quebec and Eastern Ontario.
Suite 502 MCGILL BLDG., MONTREAL, QUE.

Commercial Union Assurance Co. LIMITED OF LONDON, ENG.

The largest general Insurance Company in the world

Capital Fully Subscribed	\$14,750,000
" Paid Up	1,475,000
Life Fund and Special Trust Funds	74,591,540
Total Annual Income Exceeds	47,250,000
" Funds Exceed	142,000,000
" Fire Losses Paid	183,366,690
Deposits with Dominion Government	1,225,467

(As at 31st December, 1915.)

Head Office, Canadian Branch—Commercial Union Bldg 232-236 St. James Street, Montreal.

Applications for Agencies solicited in unrepresented districts.

J. MCGREGOR - - - Mgr. Canadian Branch
W. S. JOHNSON - - - Asst Manager

A Free Course in "Salesmanship"

We have thought about the young man who sees no prospects ahead. Would you like to be in a business that will give you

A GOOD LIVING WAGE
A PROFITABLE FUTURE
A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge. When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office, Toronto.



UNION BANK OF CANADA

52nd Annual Statement, 30th November, 1916

PROFIT AND LOSS ACCOUNT.

Balance at credit of account, 30th November, 1915.....	\$196,976.75
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to....	651,183.67
	\$758,160.42

Which has been applied as follows:—

Dividend No. 116, 2 per cent., paid 1st March, 1916	\$100,000.00
Dividend No. 117, 2 per cent., paid 1st June, 1916.....	100,000.00
Dividend No. 118, 2 per cent., paid 1st September, 1916	100,000.00
Dividend No. 119, 2 per cent., payable 1st December, 1916	100,000.00
Bonus of 1 per cent., payable 1st December, 1916	50,000.00
Transferred to Contingent Account	150,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to British Sailors' Relief Fund	5,000.00
War Tax on Bank Notes Circulation to 30th November 1916	50,000.00
Balance of Profits carried forward	93,160.42
	\$758,160.42

LIABILITIES.

Capital Stock	\$ 5,000,000.00
Reserve Account	\$3,400,000.00
Balance of Profit and Loss Account carried forward	93,160.42
	\$3,493,160.42
Unclaimed Dividends	4,013.53
Dividend No. 119, payable 1st December, 1916	100,000.00
Bonus of 1 per cent., payable 1st December, 1916	50,000.00
	3,647,173.95
	\$8,647,173.95
Notes of the Bank in circulation	8,815,117.00
Deposits not bearing interest	29,122,848.51
Deposits bearing interest	60,144,940.61
Balances due to other Banks in Canada	320,936.02
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,476,235.12
	99,880,077.26
Acceptances under Letters of Credit	512,281.32
Liabilities not included in the foregoing	695.50
	\$109,040,228.03

ASSETS.

Gold and Silver Coin	\$2,139,942.26
Dominion Government Notes	6,965,529.00
	10,105,021.26
Deposit with the Minister of Finance for the purpose of the Circulation Fund	260,000.00
Deposit in the Central Gold Reserves	260,000.00
	4,700,000.00

Notes of other Banks	937,860.00
Cheques on other Banks	4,016,138.02
Balances due by other Banks in Canada	49,872.56
Balances due by Banks and Banking Correspondents elsewhere than in Canada	700,455.05
Dominion and Provincial Government Securities not exceeding market value	2,100,547.50
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian	14,445,701.09
Railway and other Bonds, Debentures and Stocks not exceeding market value	3,170,871.47
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks	7,616,488.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada	8,484,897.00
	\$56,587,852.59
Other Current Loans and Discounts in Canada (less rebate of interest)	49,173,367.16
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	846,117.55
Liabilities of customers under Letters of Credit, as per contra	512,281.32
Real Estate other than Bank Premises	355,932.24
Mortgages on Real Estate sold by the Bank	104,404.03
Overdue Debts, estimated loss provided for	341,352.87
Bank Premises, at not more than cost, less amounts written off	1,106,255.38
Other Assets not included in the foregoing	12,614.89
	\$109,040,228.03

JOHN GALT, President.

G. H. BALFOUR, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books 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.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true 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 books of the Bank.

T. HARRY WEBB, F. S. READ, C. R. HEGAN,
Auditors.

of the firm of
WEBB, READ, HEGAN, CALLINGHAM & CO.
Winnipeg, 20th December, 1916. Chartered Accountants.

President's Address

We have not yet reached a point when it would be wise to try to envisage what will happen in the near future, but that need not stop us from taking stock of where we stand—what have been the effects of the past two and a half years of warfare—on Canadian banks in general, and on the Union Bank in particular. The outstanding fact, of course, is the unshaken solvency of our institutions—then comes the remarkable increase in deposits—a pleasing feature of which is the growth of savings accounts, showing that the rank and file of our people are alive to the importance of spending less than they are earning.

Our banks have followed the wise course of carrying ample cash reserves, and of keeping themselves in a liquid position to enable them to meet any possible contingency, and also to do their part in financing the war expenditure of the Government. So far they have taken many millions of British and Canadian loans, and are prepared and able to take further large amounts as required. It is splendid evidence of the soundness of our banking system and no less of the ability with which our banks have been handled during these times so full of uncertainty, anxiety and peril.

And now to come to our own case. The General Manager will give you his analysis of our statement, and will refer more particularly to the financial aspects. The Union Bank is now in its 52nd year. Starting in Quebec with a small capital, it had a hard road to travel until its management awoke to the value of the great field for development which was opening up in the Northwest prairies. Seizing upon this opportunity which offered itself in the early eighties, the Union Bank proceeded to establish itself throughout the West, and by following a wise and liberal policy towards its clients has reached a position of strength and influence that was beyond the dreams of any of us a few years ago.

The Shareholders should not be disappointed that our earnings have not exceeded those of last year, but this is entirely due to our sound policy of maintaining a strong and liquid position. This, we know,

will meet with your entire approval. Your Directors have resolutely refused to countenance speculation, but they have continued the policy of assisting the Bank's clients in the legitimate expansion of their business, and have always had before them the importance of encouraging production.

London, England.—Our London Office continues to show satisfactory progress. We have been established there for five years, and the gratifying increase in our business is due entirely to the wise and able advice and attention of our Advisory Committee Major J. Leigh Wood C.M.G., Lieut.-Col. the Hon. Sidney Peel, and Mr. F. W. Ashe.

With the rapid growth of our resources has come the need of improving our facilities for handling the produce of the country, and, to this end, it is gratifying to our Board of Directors to be able to announce to-day that we shall in the near future, open an agency in the City of New York. Our Foreign Exchange department has increased its business in a satisfactory manner during the past year, and the contemplated arrangement will better enable us to handle the rapidly increasing business between London, the United States and Canada.

United States.—Following our London plan, we shall have an Advisory Committee for this bank at New York, and I am happy to inform you that Mr. Stuyvesant Fish, Mr. Cornelius Vanderbilt and Mr. Gilbert G. Thorne have consented to act upon that Committee. It is unnecessary for me to add anything further, as the names of these gentlemen are well known in Canada, the United States, and abroad, and we are indeed fortunate to have worked out a programme for the future which carries with it so much promise.

We are greatly pleased to report the completion of arrangements whereby the Bank is assured of the able services of the well known firm of Carter, Ledyard and Milburn, counsellors-at-law of the City of New York.

We intend to feature a statistical department in New York, through which all information concerning Canada can be readily obtained by our friends in the United States, and through which we expect to be able to quickly furnish such information as may be

desired by our home friends in regard to United States affairs.

Agriculture.—Conditions generally throughout the country are far more satisfactory than could have been foreseen. The remarkable harvest in 1915 gave freights to our railroads, a market to our manufacturers and merchants, employment to our people, and showed the Empire what Canada is capable of doing towards supplying food for the world.

Last year the harvest was not so abundant, but the prices realized were so high that never in the history of Canada were our farmers, speaking generally, in such good shape financially. Every farmer has it now within his power to do a real service to the cause by bending his energies towards increasing his production of foodstuffs, which are so urgently needed by the world.

I shall not go into details of conditions in the various provinces, as the reports of our Superintendents will appear in our annual book form. These reports have been most ably prepared and are well worth reading.

I must not conclude these brief remarks without an urgent appeal to every one who may hear or read them. We must win the war. We cannot all fight but we can all serve the cause in one way or another. We can produce and we can economize. Remember that everything we import has to be paid for—many luxuries are still brought in which we could perfectly well do without, and each one of them makes the balance of trade against Canada so much the greater. Production, whether of foodstuffs or of munitions, intelligent economy, efficient management—these need not be empty phrases—they can and should be put into effect at once, not a moment should be lost. There are two questions which every man in Canada should ask himself—what can I do? and what have I done for my country to-day?

I have an announcement to make that, I am sure, you will be sorry to hear. Mr. Balfour has decided to retire from the position of General Manager after forty-seven years of service—no one should find fault with his decision to take a well-earned rest. He has filled, in succession, every post in the Bank, from that of junior clerk to general manager, and

has filled that position during the past thirteen years, which have, without question, been the most prosperous in the history of the Bank. We all feel that the remarkable progress of the institution is, in no small measure, due to the ability and well-balanced administration of Mr. Balfour. To his personality is also due the fine esprit de corps which pervades this institution at the present time. The story of his career should be a stimulating one to every officer in the service as it shows what possibilities are before every able, energetic young man if he does his work faithfully and with a single eye to the welfare of the institution. During the many years I have known Mr. Balfour he has been, uniformly, the same courteous and high-minded gentleman. We all have a sincere affection for him and it would be a real misfortune were we to lose him, but I am glad to say that he has agreed to join the Board and we shall, therefore, retain the benefit of his wisdom and experience. You will be asked today to approve of a resolution increasing the Board of Directors of this Bank from 15 to 16 in order that Mr. Balfour may immediately take his seat on the Board.

Your Directors have decided to appoint Mr. Harold B. Shaw, General Manager. He has been in the Bank's service for twenty-six years, has been Assistant General Manager for the past eight years, and previous to that, filled the position of Superintendent of our western business for eight years. Mr. Shaw is a well trained, conservative and able banker, full of energy, and devoted to the best interests of the Bank. Your Directors have watched his career closely and are satisfied that he will fill his new position with success. The friends of the Bank may rest easy in their minds knowing that the policy of the Bank will be unchanged, and that Mr. Shaw will carry on the traditions of the Bank, which may be summed up as "service and security."

General Manager's Address.

In presenting the 52nd Annual Statement of the Bank to the Shareholders, there are but few changes in the balance sheet, in your hands, which require explanations or comment. Owing to the exceptionally profitable harvest of 1915, the balance of trade with Great Britain being greatly in favor of Canada, the tremendous expenditures of money in this country, for war purposes; and the abnormally high prices obtained for an average crop in 1916, assisted by economy—money has been abundant and general trade conditions satisfactory.

Prosperity in Canada has been clearly demonstrated by the ease with which money has been obtained by the Federal Government, for war purchases, and the steadily increasing bank deposits.

Notwithstanding the fact that less anxiety prevailed than in 1915, the same conservative policy has been followed during 1916, owing to their being, as yet, no indications as to when the war may end. What effect the cessation of hostilities may have on business generally, owing to war contracts being cancelled, or otherwise, is a question difficult to answer, but our wise policy to adopt, and so long as the war continues there is no other prudent course to follow.

Profits.—The net profits for the year amounted to \$651,183.67, as against \$659,688.01, in 1915, or \$8,504.34 less being 13.02 per cent, on paid-up capital; a result with which we were well satisfied, having in mind the fact that exceptionally ample provision for all bad and doubtful paper had been made before closing our books, and to the Bank maintaining very strong cash reserves throughout the year. These profits have been disposed of as follows: Dividend of 8 per cent and bonus of 1 per cent paid to shareholders, \$450,000; War Tax on note circulation \$50,000; British Sailors' Relief Fund, \$5,000; Contingent Account, \$150,000, and the usual contribution to the Officers' Pension Fund of \$10,000, leaving \$93,183.67 to be carried on to the new Profit and Loss Account as against \$106,976.75 brought forward from last year.

With regard to setting aside \$150,000 to a Contingent Account, this is purely a precautionary measure which we deemed wise owing to fluctuations taking place from time to time in the valuation of securities held by the Bank.

Deposits.—The deposits amount to \$89,267,000, against \$72,685,000 in 1915, an appreciable increase of \$16,582,000, of which \$7,000,000 is in non-interest bearing, and \$9,582,000 in interest-bearing deposits.

Reserves.—The percentage of quick assets to liabilities to the public has increased to 56.65 per cent from 47.92 per cent last year, and 36.27 per cent in 1914. The wisdom of maintaining strong liquid reserves will, I am sure, be commended.

Circulation.—Although the crop was not moved out nearly as freely the past season as it was in 1915 notes of the Bank in circulation were in excess about \$1,200,000 bearing evidence of greater business activity throughout the country.

The Dominion Government war tax on our circulation was \$50,000.

Total Assets.—The assets of the Bank have passed the century mark, being \$109,040,228, an increase of \$18,377,165 over 1915, when they amounted to \$90,663,063.

Dominion and Provincial Government Securities.—Our holdings in these securities have increased \$1,415,000, made up entirely of Canadian War Loan issues.

Canadian Municipal Securities, and British, Foreign and Colonial Public Securities Other Than Canadian.—Since the last statement under review we have purchased \$14,000,000 of British Treasury Bills, which accounts for the large increase in securities under the above heading.

Call and Short Loans Elsewhere Than in Canada.—These loans are higher by \$4,000,000 than in 1915, and are secured by British Treasury Bills, in London.

Branches.—Seven branches have been opened during the year, viz.: Province of Alberta: Clairmont, Etzikom, Cluny; Province of Saskatchewan: Bulvea, Hazenmore, Prussia, Hatfield; and fifteen branches have been closed, as they were not being operated at

a profit, viz.: Province of Ontario: Geneva and Welland streets, St. Catharines; Rockland, Cayuga. In Province of Quebec: St. Catherine and St. Christophe streets, Montreal; Jonquieres. In Province of Alberta: Seven persons, in Province of British Columbia: Vancouver Heights, Granville and Robinson streets, Vancouver; City Heights, Vancouver; Kinross, Prince George, Squamish. In Province of Manitoba: Clearwater (sub to Crystal City), Sargent and Arington streets, Winnipeg. In Province of Saskatchewan: Vergot.

The total number of branches at the present time is 309.

Staff.—We have a male staff of 1,218 and female, 360, of a total of 1,578, whose duties are greatly increased, and are being conscientiously performed, owing to so many others having volunteered for overseas duties. The steadily increasing cost of living is a very important factor with all persons on salaries and the bank has endeavored to lessen the burden as far as possible in its periodical adjustment of salaries.

600 members of the staff have enlisted for overseas active service. Of these we regret to announce 43 have been killed, 28 wounded, and 3 are missing, leaving 584 still in the field. To the sorrowing relatives our heartfelt sympathy is extended.

This is the last occasion on which I shall have the pleasure of addressing you as General Manager of the Bank, as I am relinquishing executive duties on the 31st instant after nearly forty-seven years of active service, the last thirteen and a half of which I have been General Manager.

The Bank has shared to a very appreciable extent in the prosperity of the country during this latter period, and I am sure the following figures in this connection will be read with much interest.

Capital stock	\$ 2,400,000	\$ 5,600,000
Ret. account	1,000,000	3,400,000
Profits	300,000	651,183.67
Dividend	155,000	450,000
Rate of Dividend	7%	9%
Notes in Circulation	2,300,000	8,800,000
Deposits	13,500,000	89,267,000
Balances due to other banks	8,000	1,500,000
Coin and Government Notes, Government Circuit Fund, Deposit in Central Gold Reserves	1,500,000	10,100,000
Notes and Cheques of other Banks	91,000	200,000
Balances due by other banks	Nil	4,700,000
Banks	467,000	4,954,000
Bonds and Stocks	69,000	750,000
Call Loans	101,000	19,700,000
Current Loans	667,000	15,100,000
Number of Shareholders	15,000,000	50,000,000
No. of Branches	847	2,438
Total Assets	74	309
	19,400,000	109,040,228

It is needless to point out that such marked success could not have been achieved without the active cooperation and loyal support of a capable staff of officers, who have, at all times, devoted their best energies to furthering the interests of the institution they served. I desire to take this opportunity of expressing to them, one and all, my very great appreciation of their valuable assistance.

After seeing the progress of the Bank from 1870, when its operations were very restricted, and it had only three branches, to its present position of one of the important financial institutions of the country, I am retiring with mixed feelings of pride and regret, pride at the enviable position occupied by the Bank, and regret at the severance of such long-standing relations, always made pleasant and congenial by the ready assistance of Directors, Executive and Staff.

I esteem it a great honor to be invited to join the Board of Directors of the Bank, and it will be a pleasure and satisfaction to me, if elected by the Shareholders, to retain my connection with the Bank in that capacity. I trust, too, that my intimate knowledge of affairs of the institution may prove of some assistance in an advisory capacity as a Director.

The President has been good enough to refer to my services and retirement in very kind and appreciative words. My relations with the Presidents, Vice-Presidents and Directors with whom I have been associated have, at all times, been very pleasant, and their advice most helpful. I desire to express my very great appreciation of and thanks for the kindly manner in which Mr. Galt has alluded to my resignation.

ASSISTANT GENERAL MANAGER'S REMARKS.

I desire to thank you for the kind words with which you and your Directors have introduced me to the public.

I wish to assure you, Sir, also the Directors and Shareholders of the Bank, that I shall assume my new position with a deep sense of its responsibilities.

I should like to add my testimony to the splendid example which has been set by Mr. Balfour to every member of the Staff, and to express our regret at losing him in an official capacity at the end of this month. It is with the greatest of satisfaction that we have heard that he is to join the Board—for we know that we shall still keep him as a friend and advisor.

I shall do my utmost to live up to the best traditions of the Bank, and to carry on the wise policy of my predecessors.

REMARKS OF MR. F. E. KENASTON, OF MINNEAPOLIS.

The important change taking place today in the general management of the Bank whereby Mr. G. H. Balfour is resigning as General Manager after forty-seven years of service, and the appointment of Mr. H. B. Shaw, who has so well served the Bank

for a number of years as Assistant General Manager, to full Managership, has impressed me very strongly. When you take into account, Gentlemen, forty-seven of the best years of a man's life, devoted in the most loyal and faithful manner to the upbuilding of a business institution, and when advancing years bring him to reason with himself that it is better to shift the burden of responsibility on to younger shoulders and enjoy a well-earned rest after so many years of arduous work, we must conclude that the severing of the ties which bind men together in business life is a serious thing. I wish to endorse fully all the words of eulogy which the preceding speakers have used in connection with Mr. Balfour's long years of service, and his decision to now resign the burden of General Managership of the Bank, and to congratulate the Bank, at the same time, that he is to be made a Member of the Board of Directors, so that the vast fund of information and detail knowledge possessed by him of the Bank's business will not be lost to the institution.

Mr. H. B. Shaw, who is now to be the General Manager of the Bank, is too well known to you all to need any words of introduction from me. He has been connected with the Bank, in one position or another, during all his working life, and, for many years, has been Assistant General Manager. His well-known efficiency and great ability as a banker is sufficient warrant to us all that the affairs of the institution will be in good hands.

The present business conditions brought on by the great war, have made New York a great financial centre and in order to avail itself of its proper share of the Empire's financing at the present time, and to assume its share of solving the financial problems which are bound to ensue at the close of the war, the Union Bank has deemed it wise to establish an agency in New York City.

The Officers of the Bank, in their negotiations for suitable connections here, have been most extraordinarily fortunate in securing the services of Messrs. Stayceant Fish, Cornelius Vanderont and Gilbert C. Thorne, as members of an Advisory Committee. These gentlemen are so well known everywhere on this continent that it seems superfluous to say a word in their praise, but I cannot pass by the opportunity of saying that the names of these gentlemen, connected with any business institution or enterprise, is an absolute guarantee of conservatism, integrity, and efficient management, and is an endorsement of the Union Bank, based not only in New York City, but in the Dominion of Canada as well—a fact in which we as Stockholders, should take great pride, in summing up the situation, gentlemen, I am free to say that the Union Bank is going into New York City with its Agency under the most favorable auspices possible.

On the 25th of August last, the Directors of the Union Bank, accompanied by a few invited guests, began a trip of 12 days of inspection of Western Canada with reference to business conditions and prospects generally, and, specifically, with reference to its own branches extending throughout the Provinces of Manitoba, Saskatchewan and Alberta.

During this trip we met 192 Branch Managers, with whom the Directors discussed very freely their respective local conditions and prospects. The meeting of these Branch Managers (most of them young, vigorous, intelligent men) to some of us was a revelation. We found them, uniformly, loyal and enthusiastic workers for the good of the Union Bank, well advised as to their own local conditions, and what was required for the betterment of these conditions as respects attention to stock raising, thereby minimizing the risk with which a business of a community constantly stands in peril by reason of depending upon one crop only.

We saw some very wonderful agricultural developments at different points, and a very noticeable appearance of thrift and prosperity in the purely agricultural districts among the farmers. We also found a very satisfactory condition prevailing in the larger towns and cities of the West with regard to commercial affairs, which seem to have been reduced to dealings in staple articles and necessities of life rather than luxuries. In these lines there was reported a very satisfactory volume of business. We also found an enormous amount of liquidation of indebtedness, particularly among the farmers, by reason of the exceptionally large crops of grain, with good prices, during the years 1915 and 1916.

The trip was very interesting to many of the Directors by reason of the passing through of so much new and hitherto, to them, unknown territory and particularly the Peace River country, which seemed to open up an enormous field for settlement at a later date. The Peace River country is now being invaded by the iron trail, under the vigorous auspices of Mr. J. D. McArthur, who has extended the rails of the Edmonton, Dunvegan and British Columbia Railway to Peace River Crossing, and it is to be hoped that he will receive a full measure of reward for the courage he has displayed in this undertaking and, in this connection, it is only proper to state our hearty appreciation to Mr. McArthur for the many courtesies received at his hands during the progress of this trip.

Messrs. T. Harry Webb, C.A., E. S. Read, C.A., and C. R. Hegan, C.A., of the firm of Webb, Read, Hegan, Callingham and Company, re-appointed as auditors of the Bank.

The following were elected Directors—Sir William Price, Honorary President; Mr. John Galt, President; Mr. R. T. Riley and Mr. Geo. Thomson, Vice-Presidents; Messrs. W. R. Allan, G. H. Balfour, Hume Blake, K.C., M. Bull, Major-General John Carson, C.B., B. B. Cronyn, Edward L. Drewry, S. Haas, J. S. Hough, K.C., R. O. McCulloch, F. E. Kenaston and Wm. Shaw.

COMMODITY MARKETS

COUNTRY PRODUCE.

EGGS: Deliveries of new laid eggs are steadily increasing, although during the cold snap of the last few days they fell off temporarily. There are still not too many coming forward to take care of the demand. New lays are a risky proposition to hold at this season as all depends on the weather, which promises to be very uncertain from now on. The export season for eggs is now over. Stocks of storage eggs in Montreal are getting very low, several dealers being almost depleted. If we have to replenish supplies from the United States the market is bound to rise as storage eggs are falling in Chicago in car lots at 36c to 37c, being an advance of about 3c per dozen in the last week or two days. The local market for storage eggs remains firm and prices are a shade higher.

POULTRY: There is practically no dressed poultry arriving at the present time. A few shipments of live fowls are coming forward which are meeting with a ready sale at high prices. Storage stocks of poultry are reported as considerably less than a year ago and while prices are high dealers are confident that all the poultry will be required. A few export orders for chickens have been received by Canadian houses.

HONEY: The market is steady and the demand is good. Prices are likely to be higher very shortly.

MAPLE PRODUCTS: The tone of the market for maple product remains very firm on account of the small supplies available, for which the demand is steady in a wholesale jobbing way.

POTATOES: The potato market is strong in tone and prices last week scored a further advance of 15c to 25c per bag. Supplies of Green Mountains on spot are very limited, and receipts are almost nil. The prospects are that few if any more will come to this market this season owing to the fact that dealers are realizing \$2.70 per 90 lb. bag in Boston.

Eggs:—	
Special New Laid	0.60
Extras	0.45
No. 1	0.40
Poultry—Live:	
	per pound.
Fowls, 5 lbs. and over	0.20 0.21
Fowls, small	0.17 0.18
Fresh Killed Poultry:	
Turkeys	0.29 0.30
Old Turkeys, cocks	0.27 0.28
Do., Roasting	0.29 0.30
Fowls, hens	0.17 0.18
Do., roosters	0.15 0.16
Chickens	0.21 0.22
Do., Crate fattened	0.23 0.24
Squabs, per pair	0.35 0.45
Geese	0.16 0.17
Ducks	0.17 0.18
Maple Products:—	
Pure maple syrup, quart cans	0.40
Pure maple syrup, 9-lb. tins.	1.00 1.10
Extra choice syrup, 13-lb. tins	1.25 1.30
Pure Maple sugar, per lb.	0.13 0.14
Potatoes:—	
Green Mountains, per bag of 80 lbs. ex-track	1.75
Do., to jobbers, ex-store, per 80lb. bag	2.10 2.20
Quebec's, per bag of 80 lbs. ex-track	1.65
Do., to jobbers, ex-store, per 80 lb. bag	1.75 1.85
Beans:—	
Can. hand-picked car lots	6.75 7.00
Three-lb. pickers	6.50 6.65
Five-lb. pickers	6.00 6.25
Six to seven-lb. pickers	5.00 5.90

DAIRY PRODUCE.

BUTTER: The butter market is firm and is likely to continue at present high levels until the new make comes on. Stocks in store are low, but on the other hand every effort is being made to increase the winter make of butter in order to take advantage of the high prices ruling. Although current receipts at Montreal are light, they have been as a rule in excess of last year's on the same dates, and all told are sufficient to account for roughly 20 per cent of the domestic trade of Montreal, allowing 7,000 packages a week for normal consumption. It is not likely that we shall import butter to any extent, although the outcome depends on the demand from outside points, which of late has been quiet. A brisker trade is anticipated in February.

Before the war Australian butter was a feature of the trade in the early spring. Latest advices are that the New South Wales dairy districts are ex-

periencing a splendid season, which has resulted in lifting the embargo on butter and cheese. It is not likely that any of this butter will reach Canada, as all the exportable surplus will be absorbed by Great Britain where the market continues to advance to very high levels. Since 1900 the New South Wales butter production has increased from 41,429,794 pounds to 84,134,280 pounds in 1915. The cheese production remains fairly stationary increasing less than a million pounds since 1888.

CHEESE: The cheese market continues strong with full goods quoted up to 25c for best quality. The Liverpool cable has advanced according to its custom this week, quotations now being 136s for Canadian white, and 137s for colored, a net rise of 3 shillings for the week. A sale of Canadian cheese is reported at 137s 6d. Receipts of cheese have dropped to 902 boxes last week as compared to 3,994 boxes the preceding week.

Butter:—	
Choice Creamery Solids	0.43 0.43½
Winter Creamery	0.42 0.42½
Undergrade Creamery	0.40 0.41½
Dairy butter	0.37½ 0.38
City Selling Price to grocers:	
Creamery Solids	0.44 0.45
Do., Prints	0.45½
Do., No. 2	0.43
Do., Prints	0.42½
Cheese:—	
Finest Western	0.25 0.25½
Fine Eastern	0.24 0.24½
Winter Make	0.20 0.23
City Selling Prices to grocers:	
Stilton cheese	0.26 0.27
Large	0.25 0.26
Twins	0.25½
Quebec Cheese	0.24
Canadian Strong Cheese	0.25 0.26
Rouquefort	0.65

FLOUR, CEREALS AND MILLFEED.

The flour market is still quiet with prices unchanged. Almost no new orders of any size are coming in as buyers are liquidating their stocks owing to the uncertainty of the wheat market. The railway embargo has prevented shipments on old contracts. Most of the western mills closed down last week, expecting to reopen in a few day's time, but latest advices report that the embargo is extended indefinitely. Only mills working on Government orders can continue business, as the embargo does not apply to army goods. There is no demand for winter wheat flour at present as buyers appear to be well stocked up. Very little flour is being shipped from Ontario owing to the irregularity of the wheat market.

A definite working basis has now been established with regard to the export of regulation flour to the United Kingdom. The new regulations which go into effect on February 1, based on average millers' wheat mixtures permitting 75 per cent extraction of flour, allow admixture of 7 per cent corn flour. Small orders for the new grade flour have been received by some Canadian mills, while other have booked orders for low grade flour which appears to be netting a better profit than if sold in the domestic market.

Lack of ocean space is greatly hindering our flour exports and as Canadian millers have not succeeded in securing any modification in the regulations of the British Government which have checked the import of Canadian flour into Great Britain, it looks as if there would continue to be a considerable falling off in this trade which formerly reached 5 million barrels.

There is no change in the price of rolled oats, as the market is still very firm under a fair demand. The demand for millfeeds of all kinds is good, shorts being particularly scarce. Straight car lots of shorts are demanding a premium of \$2 to \$3 per ton over quoted prices. Most of the mills are oversold on feeds and the railway congestion is also greatly interfering with supplies coming forward.

	Montreal.	Toronto.
	Per 92-lb. bag.	
Flour:		
First patents	5.00	4.95
Second patents	4.75	4.70
Strong Bakers	4.65	4.60
Feed Flour	2.85	2.70 2.80
Winter wheat flour, 90 per cent.	4.10 4.25	.....
Cereals:		
Rolled Oats, 90-lb. bag	3.50	3.60
Oatmeal, 98-lb. bag.	3.85	3.90
Graham flour, 98-lb. Bag	4.95	.....
Rolled wheat 100-lb. b.	3.60	.....

Rye flour, 98-lb. bag	3.75	4.00	.....	.....
Feeds:				
Bran	32.00	.....	33.00	.....
Shorts	35.00	36.00	38.00	.....
Middlings	38.00	41.00	38.00	40.00
Moullie, pure grain				
grades	46.00	50.00	.....	.....
Do., mixed	44.00	47.00	.....	.....
Barley feed	41.00	.....	.....	.....
Crushed Oats	45.00	.....	.....	.....
Oatfeed	46.00	.....	.....	.....
Hay, No. 2	13.00	.....	11.00	.....

An extra charge of 30c is made for flour in barrels.

LIVE STOCK.

MONTREAL: Live stock offerings for sale at the Montreal stockyards last week amounted to 1,050 cattle, 1,350 sheep and lambs, 1,800 hogs and 300 calves. A strong feeling developed in the cattle market and prices advanced from 25c to 50c per cwt. As the demand for choice stock from packers and butchers was keen as they had disposed of the remainder of their holiday stocks, and offerings on the market were limited, cattle prices held firm all week at the new high level. Lambs were rather quiet as buyers appear to have a fair stock of frozen stuff on hand. Sheep were steady. Calves were scarce and prices ruled firm under a fair demand. Hogs displayed their usual strength, prices advancing 10c to 25c per 100 lbs. The demand from packers was good.

TORONTO: An insistent demand for cattle coupled with continued light offerings at the Toronto live stock yards created a very strong market last week. Prices of all grades advanced 25c to 45c per 100 lbs., making \$10.00 to \$10.50 for choice weighty steers. The strength in the hog market was also an outstanding feature as prices rose to record levels in the history of Toronto's trade. The market advanced 15c to 25c over the close of the preceding week on the opening sale, and continued to rise throughout the week, closing at \$13.50 weighed off cars, a total advance of 65c. Trade in small meats was steady as receipts were light.

	Per cwt.			
Butcher steers, best	9.75	10.00	10.00	10.50
Do., good	9.25	9.50	9.00	9.50
Do., fair	8.25	8.50	7.00	7.50
Do., medium	7.50	7.75	7.50	8.00
Do., rough	7.00	7.25	6.25	6.75
Butchers' cows				
Choice	7.50	7.75	7.50	8.00
Do., good	7.00	7.25	7.25	7.50
Do., fair	6.50	6.75	5.50	6.75
Butcher bulls, best	8.25	8.50	7.50	9.00
Do., good	7.75	8.00	6.75	7.25
Do., medium	7.00	7.25	5.75	6.50
Canners' cattle, bulls				
Do., cows	5.50	5.60	4.10	4.40
Do., cows	4.75	4.85	.....	.....
Heavy Sheep	8.25	8.50	7.50	8.50
Light Ewes	8.75	9.00	9.00	10.00
Culls	7.75	8.00	3.00	5.00
Lambs	12.50	13.50	13.00	14.00
Calves, milkfed	10.00	11.00	12.00	13.00
Do., grassfed	5.00	7.50	5.00	6.00
Hogs, selects, weighed				
off cars	13.60	13.75	.....	13.50
Do., heavy weights	13.15	13.25	.....	13.25
Sows	11.60	11.70	9.75	10.75

THE GRAIN MARKETS.

Prices of wheat fluctuated throughout the past week being tossed from the bears to the bulls by rumors of submarine activities. Changes in the political situation, a falling off in the United States visible supply, and advices of a larger exportable surplus of wheat in Argentine than was expected. This is said to amount to 18,750,000 bus. as compared with estimates of 5,000,000 bus. on which the trade had been figuring. Revised crop figures also indicate a large yield in Canada. The British Government has taken control of the wheat and corn market in Britain, which foreign fluctuations or market reports are not allowed to influence. No prices have been cabled lately, but it is believed that these restrictions will be modified in due course. According to recent advices, the price of English wheat has been fixed at 60s per quarter of 504 pounds and oats at 38s 6d per quarter of 336 pounds.

Closing prices in the wheat markets on Monday, January 15 finally show a decline of 4c for the week, Winnipeg being quoted at \$1.87½ for May option, and \$1.84½ for July, and Chicago \$1.84½ for May and \$1.48½ for July.

Current cash prices are as follows:

(Continued on page 24).

SMART WOODS
LIMITED CANADA
Manufacturers of
Jute and Cotton
Bags, Tents,
Clothing, Etc.
FACTORIES IN
MONTREAL, TORONTO,
OTTAWA, WINNIPEG

The
Imperial Guarantee & Accident
Insurance Company
of Canada

TWELFTH ANNUAL REPORT

BUSINESS IN BANKING IN THE UNITED STATES.

(Concluded from page 3).

sist that at least a part of the gold be used in strengthening banking and currency reserves.

Waste and Thrift.

One of the members of President Wilson's cabinet recently took occasion to reproach the people of the United States with their wasteful habits. In citing statistics, of the per-capita of savings deposits in the United States and other countries, the people here are placed in an unfavorable light, because the rank below several other nations whose people have a much lower earning capacity. These figures, however, are less conclusive than appears at first sight. Consideration must be given to the fact that savings in the United States are not all in the Savings banks. There are building and loan associations and fraternal organizations of various kinds carrying large amounts of savings, besides the ordinary banks of deposit and discount also. If these favorable allowances are made, the showing no better than it should be. Americans spend money rather lavishly at all times, and in seasons of exceptional prosperity like the present, they are apt to forget that less favorable days may be in store. To counteract this tendency a national thrift campaign has been inaugurated, and a special day—February 3rd—has been set aside for calling attention to the desirability of greater thrift on the part of the people. The day is to be signalized not merely by attempts to increase savings deposits in banks, but by popular lectures, sermons and newspaper articles showing the value of thrift.

Prohibition Advancing.

An important effect upon the economic life of the country promises to result from the spread of prohibition. No doubt the present movement has gained momentum from the examples of the European belligerents in restricting the sale of alcohol as a war measure; but quite aside from this, there seemed to have arisen in this country some years ago a quiet determination to end the liquor evil. This determination had its origin largely in the belief that the saloon was an economic drawback, and that the prosperity of the masses could not be permanently assured while it existed. At first sight it would appear that people who were indifferent to the moral evils of the traffic were ready enough to listen to an appeal based on purely monetary considerations, but this is perhaps not the true reason why the saloon is to disappear. There is a growing feeling among mankind, by no means peculiar to the United States, that the moral advancement of the race is not only compatible with material prosperity, but is greatly helped thereby.

That a nation is economically strengthened by reducing the consumption of strong drink, is undoubtedly the position assumed by most or all of the European belligerents—a position they would not have taken without careful investigation. The example is not being lost on this country, where it is regarded that if we must prepare for defense every step taken now will count doubly later on.

In the process of waste elimination, alcohol is naturally attacked because of the bad reputation attaching to it. There are many sources of National waste hardly less glaring to which attention may be profitably directed when accounts with John Barleycorn are settled.

The Shareholders of the Imperial Guarantee and Accident Co., held their 12th annual meeting at their Head Office in Toronto on Thursday, January the 12th, 1917, and the following Report was read and adopted.

The Directors have much pleasure in submitting to the Shareholders their Twelfth Annual Report for the twelve months ending 31st December, 1916.

Business.

The Company issued 13,250 policies for insurance of \$34,107,135.00. The premiums thereon amounted to \$267,770.19. The interest earnings amounted to \$18,486.60, being an increase of \$1,341.40.

Assets.

The Assets of the Company now amount to \$447,933.43, and the investments of the Company are all first-class securities bearing good interest returns.

Surplus.

The Contingent Reserve Fund now amounts to \$20,000.00, and the surplus to policyholders is \$286,030.74, which, together with the uncalled subscribed Capital of \$800,000.00, makes the available security for all contracts \$1,106,030.74.

During the year the Directors secured a license on the business of insuring Automobiles against Fire, so that the lines of Insurance now written are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance, and Automobile Insurance (including insurance of Automobiles against Fire).

The Certificate of the Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

HERBERT C. COX,

Toronto, 12th January, 1917. President.

Statement for Year Ending December 31st, 1916.

PROFIT AND LOSS ACCOUNT.

DR.		CR.	
To Claims, Commission and Expenses	\$235,733.95	By Balance Profit and Loss Dec. 31st, 1915	\$77,888.94
Reinsurance and Refunds	20,400.17	" Premiums	267,770.19
Reserve for Unearned Premiums, December 31st, 1916	95,601.63	" Interest	18,486.60
Added to Contingent Reserve Fund	5,000.00	Reserve for Unearned Premiums, December 31st, 1915	94,620.76
Dividend paid January 1st and July 1st, 1916	16,000.00		
Balance	86,030.74		
	\$458,766.49		\$458,766.49

BALANCE SHEET.

ASSETS		LIABILITIES.	
Bonds and Debentures, depreciated value	\$207,614.25	Government Reserve for Unearned Premiums	\$95,601.63
Real Estate	2,324.03	Reserve for Filed and Unfiled Claims	33,836.06
Loans on Mortgages	9,400.00	Contingent Reserve Fund	20,000.00
Accrued Interest	1,659.17	Sundry Accrued Accounts	2,965.00
Outstanding Premiums (Reserve on same included in Liabilities)	40,549.16	Dividend payable January 1st, 1917	8,000.00
Other Assets	12,670.85	Suspense Account	1,500.00
Cash in Savings Bank bearing Interest	57,871.17	Capital Stock Paid	\$200,000.00
Cash in Banks and on hand	15,844.81	Surplus over all Liabilities	86,030.74
	\$447,933.43		\$286,939.74
			\$447,933.43

Auditors' Certificate.

We have audited the accounts of the Imperial Guarantee & Accident Insurance Company of Canada for the year ending December 31st, 1916. We have examined the securities and verified the Cash and Bank Balances and we certify that the above Balance Sheet shows the true position of the Company at that date.

CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

Toronto, 12th January, 1917.

President, Herbert C. Cox, President Canada Life Assurance Company; Vice-President, Noel Marshall, President Standard Fuel Company; Directors: R. Bickerdike, M.P., Montreal, Director Western Assurance Company; Elias Rogers, Toronto, President

National Life Assurance Company; President Crow's Nest Pass Coal Company, Limited; S. Burrows, Belleville, Branch Manager, The Mutual Life Assurance Co.; G. A. Morrow, Toronto, President Imperial Life Assurance Company; D. B. Hanna, Toronto, Third Vice-President Canadian Northern Railway; W. B. Robb, Montreal, Supt. of Motive Power, Grand Trunk Railway; P. G. Goldsmith, M.D., Toronto; W. G. Morrow, Peterboro, Manager Toronto Savings and Loan Company; A. McT. Campbell, Winnipeg, Branch Manager Canada Life Assurance Co.; W. B. Meikle, Toronto, Manager Western Fire Assurance Company. Managing Director, E. Willans. Secretary, Frank W. Cox.

Grains:		per bushel.		
Spring Wheat Manitoba, No. 1			Russett Oil Grain	0.42
Northern	1.97		Elk	0.48
Do., No. 2	1.94		Splits Wax	0.36 0.40
Do., No. 3	1.91		Automobile, Carriage, and Furniture Leather:	
Do., No. 4	1.75		Spanish furniture	0.37 0.38
Winter Wheat Ontario, No. 2	1.80		Hand buffed	0.35 0.36
No. 3	1.78 1.80		Machine buffed	0.32
Oats,			Deep buffed	0.19 0.20
No. 2 C. W.	0.70		Split	0.16
Do., No. 3 C. W.	0.68 1/4		Belting Leather:	
Do., Extra No. 1 feed	68 1/2		Belting butts, shoulders on	1.40
Do., No. 1 feed	0.67 1/2		Belting butts, shoulders off	1.60
Do., No. 2 feed	0.66		Harness	0.62 0.65
Ontario Oats, No. 2 white	0.64 0.66		Skirting	0.35 0.37
Do., Oats, No. 3 white	0.63 0.65			
Barley, No. 3 C. W.	1.14			
Do., No. 4	1.06			
Do., Feed	0.98			
Corn, American, ex-track	1.16			

LEATHER.

The leather market is beginning to resume its accustomed activity after the dull holiday period. Shoe manufacturers are busy and therefore orders for leather are coming in well. The hide market is slightly lower but this is a matter of quality only, as the stocks coming forward at this season is not considered equal to the class of goods received during the autumn months. The actual hides are as scarce as ever. This weakness in hides does not appear to be reflected in the leather situation where prices have advanced a further 2c to 4c on sole leather with proportionate increases on many other lines. Hemlock bark is exceedingly hard to get even at prices double of last year's. Tanners attribute this scarcity to the fact that the Government embargo on hemlock bark to the U. S. is not rigidly enforced and therefore a large proportion of the Canadian production is going over the line. There is practically no demand from Great Britain for sole leather as that market is supplied at present by leather held by the Government that has been released for the regular trade. The demand for belting is greater than the supply, but nevertheless prices on belting leathers are quoted at unchanged prices.

Selling prices at wholesale houses of a few standard lines follow:

	Per Pound.	
	No. 1	No. 2
Sole Leather:		
Spanish sides	0.60	0.58
Oak Sides, Canadian, dry hides	0.63	0.61
Do., from hides, green	0.68	0.66
Oak backs	0.72	0.70
Oak bends	0.82	0.80
—per ft.—		
Sheep skins, linings	0.20	0.22
Do., toppings	0.25	0.30
Chrome tongue, splits		0.15
Kid, glazed table run		0.60
Upper Leather:		
Gun Metal Sides	0.46	0.50
Chrome Box Sides	0.44	0.48
Matt Sides		0.44
Patent Chrome	0.48	0.55
Kangaroo Grain		0.42

WINNIPEG GRAIN RECEIPTS.

The receipts of grain at Winnipeg for the week ended January 13, 1917, compared with last week and the corresponding week a year ago were as follows:

	This week.	Last week.	Last year.
No. 1 Northern	191	210	....
No. 2 Northern	417	565	....
No. 3 Northern	512	568	....
No. 4 Northern	239	285	....
No. 5 Northern	137	160	....
No. 6 Northern	58	111	....
Feed Wheat	60	62	....
Rejected	36	43	....
No. grade	391	566	....
No. 4 Special	22	112	....
No. 5 Special	36	51	....
No. 6 Special	31	32	....
Winter Wheat	5	2	....
Totals	2,277	2,772	1,750
Oats	725	944	444
Barley	90	93	82
Flax	76	128	45

MONTREAL PRODUCE RECEIPTS.

Receipts of the principal commodities at Montreal for the past two weeks follow:

	Week ending	
	JAN. 9, 1917.	JAN. 15, 1917.
Wheat, bushels	32,202	288,992
Oats, bushels	42,271	92,840
Barley, bushels	20,959	13,545
Flour, barrels	11,060	18,474
Butter, packages	1,758	1,101
Cheese, boxes	3,994	902
Eggs, cases	1,007	456
Potatoes, bags	1,512	22
Hay, bales	27,704	37,278

CUNARD LINE

Canadian Service

LONDON TO HALIFAX

(Via Plymouth)

HALIFAX TO LONDON

(Calling Falmouth to land Passengers)

For particulars of sailings and rates apply to Local Agents or to The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacramento Street, Montreal.

ANCHOR-DONALDSON LINE

WESTBOUND

Glasgow via Halifax N.S. to Portland, Me.

— also —

Glasgow to St. John N.B. direct Eastbound.

PORTLAND TO GLASGOW DIRECT

HALIFAX TO GLASGOW DIRECT

As to rates and sailings

For information apply to local Agents or The Robert Reford Co., Limited, General Agents, 20 Hospital Street and 23-25 St. Sacramento St., Montreal.

CANADIAN NORTHERN RAILWAY

An Important Change of Time

Will Be Made

Sunday, January 14, 1917

General Change AFFECTING ALL LINES.

For particulars, apply to City Ticket Agent, 230 St. James Street, or Depot Ticket Agent, St. Catherine Street East.

THE GOOD ROADS MOVEMENT.

During the past year four new counties came into the good roads scheme, the latest being Brant, which has just come in. The others were Essex, Dundas, Stormont and Gingarry (amalgamated), Russell and Prescott (amalgamated). The aggregate mileage of these counties was 738. There are now twenty-four counties in the system and thirteen outside.

TO INVESTORS

THOSE WHO, FROM TIME TO TIME, HAVE FUNDS REQUIRING INVESTMENT MAY PURCHASE AT PAR

DOMINION OF CANADA DEBENTURE STOCK

IN SUMS OF \$500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holder of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognized bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.