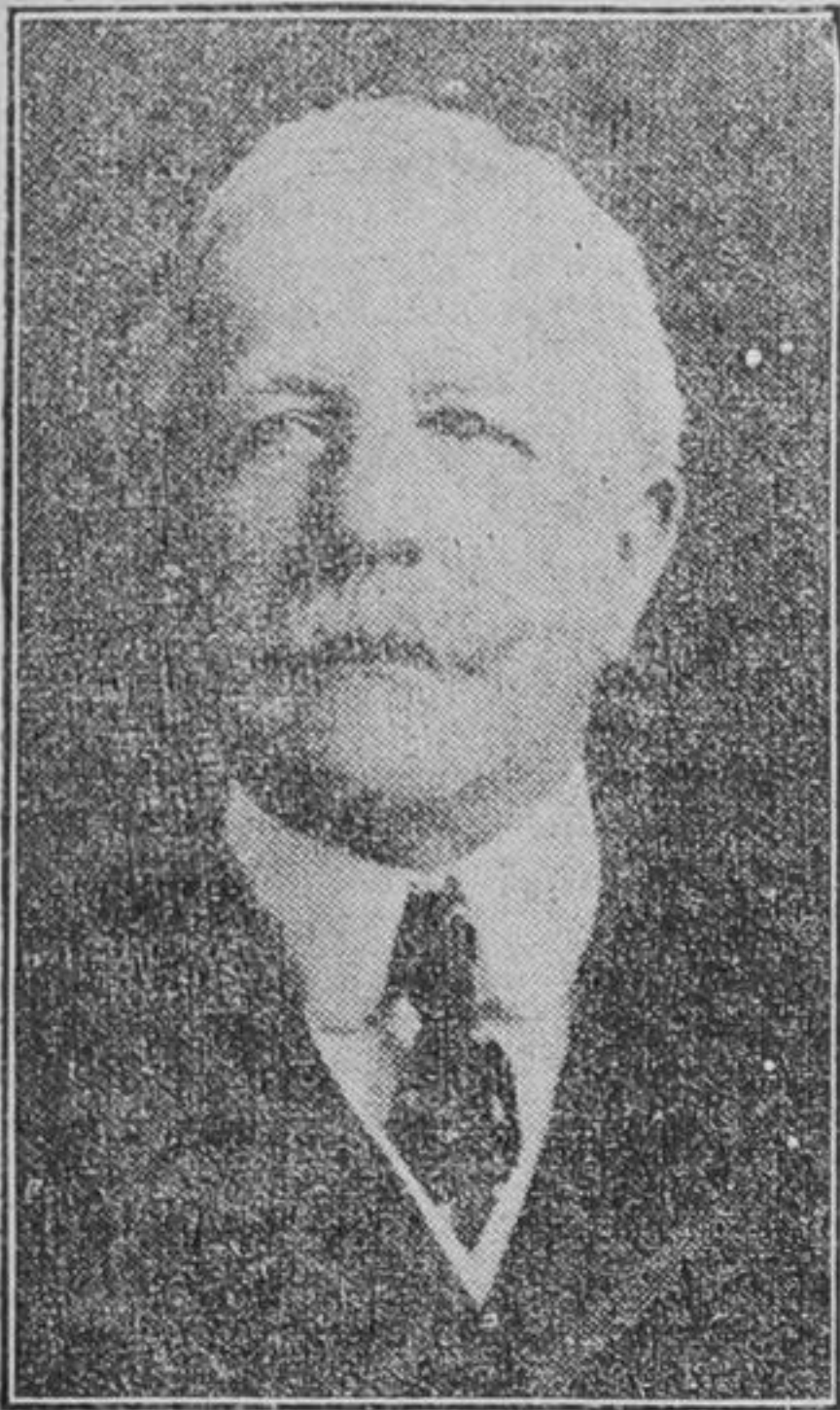


BANK OF MONTREAL

NINETY-EIGHTH ANNUAL REPORT SHOWS BANK IN VERY STRONG POSITION.

Exceptional interest attaches this year to the Annual Report of Canada's leading Bank, and the addresses delivered at the Annual Meeting by the President and General Manager. They afford an insight into the financial consequences of a year of war on the country generally, and into the outlook for the future, as interpreted by men who have every opportunity to judge it.

Mr. H. V. Meredith, the President, pointed out that the effect of the war on Canadian trade had been less injurious than had been expected, and



Mr. H. V. Meredith

that this year's bountiful harvest may not only be expected to stimulate current trade, but to attract renewed emigration to Canada.

The Annual Report shows the Bank of Montreal in a position of unprecedented strength. With assets of \$302,980,554—an increase for the year of \$38,800,138—it takes rank with the most powerful banking institutions in the world. Of this enormous sum, no less than \$170,007,568 is in cash and liquid assets. This is over 64 per cent. of the Bank's total public liabilities—a ratio whose significance will be better understood when it is compared with 55.4 per cent. last year, and a little less than 50 per cent. (considered a high proportion in normal times) in 1913.

While holding so large a proportion of the Bank's assets in liquid form does not tend to large profits, it is a source of great strength not only to the Bank, but to the whole of Canada, in these trying and difficult times.

The profits for the year, however, were most gratifying. Amounting to \$2,108,631, they provided for the usual quarterly dividend and two 1% bonuses on the Capital of \$16,000,000; the War Tax on Bank Note Circulation, \$127,347; and left over \$60,000 to be added to the Profit and Loss Account, bringing the balance of the latter up to \$1,293,952. This, of course, is in addition to the Rest Account of \$16,000,000—equal to the Capital.

Owing to the reduced volume of commercial business in the country, the current loans dropped from \$108,845,332 in 1914 to \$99,078,506. Loans to municipalities, on the other hand, show an increase of over two millions, reaching the figure of \$11,203,472.

One of the most striking and important features of the Report is the remarkable increase in Deposits. Those bearing no interest have increased during the year from \$42,689,031 to \$75,745,729, while interest-bearing deposits have grown to \$160,277,083—a total increase of \$39,800,138. Though this is partly accounted for by special transactions, it must be regarded as highly satisfactory and an especial mark of public confidence.

In reviewing the year, the President laid special stress on the record harvest in the West, where a greatly increased area under cultivation has given the highest average yield in the history of the country. The estimated value of the grain crop of Manitoba, Alberta and Saskatchewan he placed at four hundred million dollars—a sum which could be depended upon to liquidate much indebtedness and stimulate current trade.

Referring to the remarkable change in Canada's position from a debtor to a creditor nation, Mr. Meredith said: "In the seven months ending October 31st, 1913, the value of exports of Canadian products was \$245,550,000, and in the same period of 1914 was \$226,757,000; while this year in these seven months we have exported Canadian products of the value of \$326,430,000, or \$100,000,000 more

than last year, and the great crop surplus has still to go forward.

"Comparing the foreign trade of Canada for the seven-months' period ending with October, imports have declined from \$390,544,000 in 1913 to \$253,107,000 in 1915, while exports of domestic products, as I have said, have risen from \$245,550,000 to \$326,430,000; and adverse balance of \$145,000,000 being converted into a favorable balance of \$73,323,000, or a betterment in respect of foreign trade of no less than \$218,000,000 within the short space of two years."

Taking a prudently optimistic view of the future, Mr. Meredith said:

"The position of Canada is a highly favored one, with an assured future of growth, development and general prosperity. At present, however, we live in the shadow of the great war, to which all else must be subservient. What its duration will be, and the position in which its termination will find us, can be matter of the merest conjecture. The vast armies now engaged in the struggle cannot be kept in the field indefinitely. The financial factor is daily assuming increased importance, and in this respect the advantage is unquestionably with Great Britain and her Allies.

"After the war, a readjustment of trade conditions is to be expected. The flood of wealth which has attended the export of munitions and war supplies must of necessity be largely curtailed, and a new set of problems will have to be faced. As I have said on former occasions when I have had the pleasure of addressing you, if economy be exercised to meet the increased burden of taxation, of which we must bear our share, and the production of exportable articles increased to the utmost extent, to protect our gold supply and minimize our borrowings, and if we keep strong in working capital, then no matter what difficulties the future may have in store for us, we can look forward to them with a degree of complacency. Our agricultural resources and undeveloped wealth will enable us to bear the strain which may be imposed upon us, and we shall in the end come safely through the period of economic upheaval and world-wide conflict—with a larger debt, it is true, but with our ability to meet it unquestioned and our economic position not seriously impaired."

GERMANS FACE HARD WINTER.

Predictions that the approaching winter will be very severe have inspired comparisons between the German campaign in Russia and Napoleon's Russian campaign of 1812.

Abbe Moreaux, of the Bourges (France) Observatory, points out that a curve indicating the European localities where the average temperature in January is zero centigrade, or 32 above zero Fahrenheit would pass along the coast of Norway, protected by the gulf stream from greater cold, ascend abruptly along the west coast of Denmark, and follow a line considerably westward from Berlin, turning eastward in the region of Trieste to the Black and Caspian Seas. Another curve marking a zone where the average temperature is 14 degrees above zero Fahrenheit would comprise Berlin, Vilna, Riga, Dvinsk, Moscow and Petrograd. To make up this average, however, zones of greater cold are comprised, the maximum at Petrograd being 38 below zero, and at Moscow 47 below zero Fahrenheit.

Examining the situation from a meteorological point of view, Abbe Moreaux finds confirmation of the prediction of naturalists in reviewing, in his opinion, a period of cold winters, and he thinks that the German soldiers may experience the same vicissitudes as those that cost Napoleon 450,000 men from the "Grand Army."

Larrey, who wore a thermometer during Napoleon's Russian campaign, has left records showing that as early as November 14 the "Grand Army" had to endure a temperature of 12 below zero Fahrenheit on the line from Vilna to Moscow—the retreat having begun October 18. From November 17 the thermometer went down rapidly to 22 below zero; December 3 to reach 34 below zero when the retreating army reached Malodecyn. Equally low temperatures, according to Abbe Moreaux, are almost certain to prevail over considerable parts of the German front if it is maintained on the present line and are almost certain to overtake the German forces in retreat unless they abandon their positions immediately.

Quite a Feat.

There is in the employ of a Vermont man an Irishman who recently met with a domestic affliction. As soon as the employer was advised, he sought out the Celt and offered his condolences.

"I am sorry to hear, Daniel," said he, "that your good wife is dead." "Sure, 'tis a sad day for me, sir," replied the Irishman. "The hand that rocked the cradle has kicked the bucket."

BRITISH COMMAND OF THE SEA

DOOMS GERMANY TO CERTAIN DEFEAT.

How Great Britain Upset Emperor William's Hopes of Conquest.

An article, entitled "The Value of Sea Power; If the British Fleet Had Not Moved," was written at the request of Sir Gilbert Parker by Mr. Archibald Hurd, the famous British naval expert, for the New York Herald. In it he says:

The Germans had so completely outdistanced all the other continental powers of Europe in ships of war that on the outbreak of hostilities they with the co-operation of Austria-Hungary were absolutely assured of the command of the sea if the British fleet did not move. The following statement reveals the preponderance possessed by the central powers:

	Ger.	Aus.	Total.
Dreadnoughts—			
Battleships	16	3	19
Battle cruisers	5	—	5
Pre-dreadnoughts—			
Battleships	20	12	32
Armored cruisers	9	3	12
Cruisers	48	10	58
Destroyers	130	15	145
Torpedo boats	80	58	138
Submarines	30	6	36
	France.	Rus.	Total.
Dreadnoughts—			
Battleships	4	—	4
Battle cruisers	—	—	—
Pre-dreadnoughts—			
Battleships	19	8	27
Armored cruisers	19	6	25
Cruisers	13	9	22
Destroyers	84	95	179
Torpedo boats	150	25	175
Submarines	53	25	78

Barred German Landing.

Sea command is still exercised by armored ships and cruisers. In the first line of battle, the dreadnought class, the odds were twenty-four to four at the outbreak of war. In the second, thirty-two to twenty-seven, but of the Russian ships several were shut up in the Baltic. In armored cruisers the strength of France and Russia—the ships being mainly obsolescent—was more apparent on paper than real, and in scouting ships the central powers had no mean advantage. Even if Italy had joined the powers of the dual alliance, Germany and Austria-Hungary, with strategical advantages of no mean value, would have possessed a sufficient margin against their opponents.

There would have been no blockade of the North Sea. What of that? It may be said. Well, it would have meant that the Germans could, with slight risk, have transported troops to any point on the French coast. The value of superior sea power in amphibious warfare is the element of strategic surprise which it confers on its possessor. The French fleet would have been tied in the Mediterranean by the menace of Austria-Hungary, and the German navy would have had no difficulty, owing not to superior seamanship, but to superior numbers, in seizing the command of the North Sea and English Channel.

Destroy French Commerce.

But that is not all. The Germans would not only have obtained this overwhelming military advantage, but would have been able to shut off all French overseas commerce.

Nor again is that all. France and Russia had no men of war of great fighting weight in the outer seas; the Germans were represented by some of their most powerful and swift cruisers. What would have been the fate of the mercantile marine of France? These merchant vessels represented in value many king's ransoms. About sixteen thousand sailing ships and two thousand steamships would have been in danger, together with their cargoes. Russia's merchant ships would have shared the same misfortune.

Cause of German Hate.

For the period of the war—how long would it have lasted? Russia and France would have been, to all intents and purposes, besieged. Neither country would have been able to use the sea for any purpose. That condition would have reacted on their military and economic power. They would have been in a position to bring in no food, raw materials, nor munitions. The Germans, and not countries of the Dual Alliance, would have had the run of the neutral markets of the world for munitions, men, and money. On the American continent alone there were—and are—about twenty million Germans and Austrians, who could have supplied not only men to reinforce the armies of the Central Powers in Europe, but

men to make munitions and other men of great financial and industrial experience—some of them millionaires—to assist Germany in getting gold, raw materials for all purposes, and even luxuries. Life behind the lines of the German armies would have continued much as under peace conditions. The population of the German Empire were eager for war, because they believed that even if Italy joined Russia and France, they could count on using all the seas to their advantage, drawing from them everything they required.

Were their calculations ill-founded? In one particular they were. They assumed with confidence that the British fleet would take no part in the war. They were wrong. That one error of judgment made all the difference: it is more than probable that it cost the Germans the victory they believed, in the last days of July, 1914, to be within their grasp. Why? When the war broke out the relative strength of the British navy was almost in the proportion of two to one in comparison with that of Germany. Think what that meant. All the conditions at sea were instantly reversed. German hopes were doomed when the German anticipations as to the use which would be made of the British navy proved unfounded.

Why do the Germans hate the British people more than French or Russian? It is not because of the wealth of England, or her trade or her colonies or her shipping or her armies of 3,000,000 men—it is because the British fleet so decisively turned the scale that from the date of the British ultimatum the £300,000,000 which the enemy had spent on naval expansion became profitless. Germany realized as in a flash that, owing to the majesty of the greatest sea power, she could not obtain the rich dividends on which she had counted with complete confidence.

Navy Win Land Battles.

The predominant influence on the history of the world has been not the soldier, but the sailor. A Frenchman once said that it was the ships of Nelson which won the battle of Waterloo. England has never possessed a great army, nor has the United States. When the German Emperor read the books of the American seaman, Admiral Mahan, he determined that he must have a great fleet, because from the days of Xerxes and Themistocles navies have decided the fate of empires. It might be said that all the decisive battles of the world have been fought on the seas. That would seem a bold statement, but it is a clear approximation of the truth. Without sea power, land power—that is, soldiers—must be imprisoned, and in modern economic conditions may well be reduced to starvation—starvation for want of shells as well as food.

TOBACCO TELLS WEATHER.

Sailor's Weather Tips Gathered From Favorite Leaf.

Soldiers and sailors have several ingenious ways of forecasting weather. Clouds provide commanders with valuable clues as to the condition of the weather likely to take place in the near future. A flat, widely-extended cloud, streaked like the markings on a mackerel, is a sure sign of approaching rain or snow. Small, well-defined, rounded masses of clouds, in close horizontal arrangement, are sure forerunners of storms. Fair-weather clouds are those which pile themselves up in picturesque heaps high in the sky, although when



Chapped Hands Quickly Healed

Chapped hands and lips always come with cold weather, but

Vaseline
Trade Mark
CAMPHOR ICE
Made in Canada

brings sure and speedy relief. Children especially need Vaseline Camphor Ice for their rough and smarting hands.

Our new illustrated booklet describes all the "Vaseline" preparations. A postcard brings it. AVOID SUBSTITUTES. Insist on "Vaseline" in original packages bearing the name, CHESEBROUGH MANUFACTURING CO., Consolidated. For sale at all Chemists and General Stores.

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ragged at the top they foreshadow mild thunderstorms.

Soldiers are largely guided by the dawn in their opinions as to future weather conditions. A high dawn which is first light behind a bank of clouds foretells wind, whilst an unusual clearness near the horizon in the early hours is a very sure sign of rain. A grey dawn is a reliable forecast of fine weather, but the red dawn means bad weather or rain.

Red sunsets tell soldiers that fair weather may be expected on the morrow, and bright yellow at sunset foretells wind and a pale yellow sunset rain.

Sailors regard tobacco as a valuable barometer. It only requires a mere running of the fingers through the small pieces of shag to tell an experienced Jack Tar what kind of weather to expect.

If tobacco is left uncovered where the outside atmosphere can reach it, it will indicate very accurately the probable condition of weather for several hours ahead.

When the tobacco becomes very dry, it is a sure sign that rain will not come for several hours. Should the tobacco seem tough or not dry and not very crisp to the touch, rain is near at hand. According to the different changes in the appearance and feel of his favorite weed a sailor can foretell rain or damp, cloudy weather, or clear, fair weather devoid of rain.

Do They Sleep Less?

Women evidently sleep less than men.

Why so? Well, we seldom hear of a woman talking in her sleep.

Cider gets sour with age—just like some of us.

Why those Pains?

Here is a testimonial unsolicited

"If I had my will it would be advertised on every street corner. The man or woman that has rheumatism and fails to keep and use Sloan's Liniment is like a drowning man refusing a rope."—A. J. Van Dyke, Lakewood, N. J.

Sloan's Liniment



for
RHEUMATISM
SPRAINS
SORE MUSCLES