STOCK QUOTATIONS

N. Y. Stock Exchange

(Canadian Press)

Stocks	Close
Am C and F	26 1-4
Am For Pr	2
Am Radiator	9 7-8
Am Tel Tel	171
Am Water	10 3-4
Anaconda	27 7-8
Atchison	22 7-8
Balt Colo	5 1-2
Bendix Av	30 1-4
Beth Steel	73 1-2
Ches Ohio	40 3-8
Chrysler	83 1-2
Con Oil	24 5-8
Commonwea So	1 1-8
Con Edison	31 5-8
Curt Wright A	29 1-8
Elec Auto Lite	36 1-8
Elec Pr Lite	6 7-8
Gen Elec	38 7-8
Gen Foods	47 5-8
Gen Motors	52 3-8
Goodrich	18
Goodyear Tire	22 1-2
Gt Nor Pfd	24 1-2
Int Tel Tel	4 1-8
Kennecott	35 1-2
Mont Ward	52
N Y Central	16 1-4
Nor Am Co	21 7-8
Nor Pacific	7 1-2
Penn R R	21 5-8
Phil Morris	91 1-8
Phil Pet Co	40 1-2
Pure Oil Co	8 5-8
Radio Corp	5 3-4
Sears Roe Co	83 1-8
South Pac	13 3-8
Std Oil N J	44 1-8
Studc Corp	9 3-8
Texas Corp	43 1-4
United Air	47
United Corp	2 1-2
United Drug	5 1-8
United Gas Imp	14 3-4
U S Rubber	36 3-8
U S St Co	58 1-8
Vanadium	30 1-2
Warner Bros	3 5-8
West Union	23 3-4
West Elec	107 1-2
Woolworth	—

GRAIN

CHICAGO Jan. 25—(AP)—Wheat prices fell more than a cent a bushel today to the lowest levels in about two weeks.

Wheat closed 1 1-2—1 7-8 cents lower than yesterday, May 98 5-8—1-2, Jly 98 1-8—96; Corn 3-8—5-8 down, May 57 1-8—1-4, Jly 57 1-8; Oats 1-4—3-8 lower.

WINNIPEG, Jan 25—(CP)—Moderate weakness on outside markets, plus forecasts of moderating temperatures for the frost-ridden sections of the United States winter wheat belt, gave wheat futures prices an easier tone on Winnipeg grain exchange today. Quotations closed 3-4—5-8 cent lower after a dull session, May at 85 7-8, July 86 3-4 and October 87 3-4 cents.

Argentine prices were down 3-8 cent near the finish of dealings at Buenos Aires.

Minard's is good for sprains.

Montreal Curb

(Canadian Press)

Stocks	Close
Abitibi Com	195
Abitibi Pfd	16 7-8
Asbestos	25
B A Oil	22 7-8
Beauharnois	5 5-8
Bathurst A	14 5-8
Can Vickers	7 3-4
Dom Tar	6 7-8
Don A	9
Fraser V T C	20 1-4
Ford A	20
Imp Oil	14 7-8
Int Pete	21 3-4
Price Com	21 7-8

Banks

(Canadian Press)

Stocks	Close
Canada	—
Nova Scotia	310
Commerce	—
Montreal	—
Royal Bk	187

New York Curb

(Canadian Press)

Stocks	Close
Am Cyan B	34 1-4
Am Gas Elec	37 1-2
Am Super Power	1-2
Assoc Gas El A	3-16
Brown Co Pfd	23 5-8
Cities Service	4 1-2
Creole Pet	20 7-8
El Bond Share	7 3-8
Gulf Oil Corp	36 1-2
Humble Oil	61
Lockheed Air	29 1-2
Niag Oil	5 1-4
Pant Oil	4 3-4

Produce Prices

MONTREAL, Jan. 25—(CP)—Produce Market prices here today, as reported by the Dominion Department of Agriculture, follow:

Butter: first grade creamery prints, jobbing price, 29; first grade soldids, jobbing price, 28 1-2; Que no 1 pasteurized regraded butter, wholesale jobbing price, 27 1-8; Que no 2, 26 3-4.

Cheese: Ont white and colored, current receipt price, 18 5-8.

Eggs: graded shipments in used free cases, selling price, A—large 23—223 1-2; A—medium 21—21 1-2; A—pullets 20—20 1-2; B—large and C unquoted.

Potatoes: Que no 175's 115—1.20; Que no 2 75's .90—1.10; NB no 1 75's 1.30—1.35; PEI no 1 75's 1.30—1.40.

LYMINGTON, England —(CP) — After warning his master, L. R. Emslie, of fire in the house a 12-weeks-old Alsation puppy died in the blaze here.

Montreal Stock Exchange

(Canadian Press)

Banks	Close
Bell Tel	166
Brazilian	9
B C Pow A	27 1-2
Bldg Products	16 1-4
Can Cement	7 3-4
Can Nor Pr	16 7-8
Can Car Fd	14 1-4
Can Ind Al A	3
Can Pacific	6 3-8
Can Steamship	7 1-4
Celanese	33
Cons Smelt	46 1-4
Dist Seag	23 3-8
Dom Coal Pfd	21 1-4
Dom Bridge	38
Dom Steel B	14 5-8
Dom Textile	89
Dryden	11
Gen Steel Wrs	10 1-4
How Smith	20 1-2
Imp Tob	15 3-4
Int Nickel	44 1-2
Int Pow Pfd	91 1-2
Massey Harris	6 1-8
McColl Front	8 3-8
Mtl Power	31 1-4
Nat Steel Car	66
Power Corp	10 1-4
Quebec Power	17
Shawinigan	23
St Law Com	5
St Law Pfd	19
Sou Can Power	14
St of Can	80 1-2
Wpg Elec B	2 1-4

MONTREAL, Jan. 25—(CP)—Stock prices generally lost ground in today's market and minus fractions predominated at the close. Light trading prevailed.

In the recession were Asbestos, Canada Steamships, Hudson Bay Mining, Montreal Power and National Breweries. Niagara Wire, trading in board lots for the first time this week, lost a point while in the paper section Price Brothers, St. Lawrence Corporation and Bathurst were fractionally lower.

Algoma Steel, Dominion Tar, International Petroleum and Canadian Celanese withstood the selling and emerged with slight additions. C. P. R., Brazilian, International Nickel, Imperial Tobacco and Canada Cement were unchanged.

Total sales: 52,000 shares; Industrials, 18,600; Mines, 33,400; Bonds nil.

FINANCE

By Frederick Gardner
Associated Press Financial Writer

NEW YORK Jan. 25—(AP)—The stock market lacked further rallying fuel today and profit-taking on Wednesday's bulge put leaders down fractions to around a point.

Selling was never urgent, however, and transfers for the five hours fell to 543,570 shares against 712,180 the day before. With declines mostly in small amounts, the Associated Press average of 60 issues was off .2 of a point at 49.9.

International Nickel, McIntyre, Bell Telephone, Imperial Oil and Power Corporation, in the Canadian grup, were easy. Dome Mines, Walkers and Massey Harris gained fractions.

Prominent losers were U. S. Steel, Bethlehem, Chrysler, General Motors, U. S. Rubber, Douglas Aircraft, Westinghouse, N. Y. Central, Kennecott, Du Pont and Texas Corp.

Finishing ahead were Montgomery Ward, Sears Roebuck, Sperry, Eastern Air Lines, Bendix, U. S. Gypsum and Caterpillar Tractor.

Youth Training In Canada

OTTAWA, Jan. 25 —(CP) —Approximately 1,300 young men now are receiving training in aircraft mechanics under the dominion-provincial youth training program said R. F. Thompson, dominion supervisor of youth training under the labor department.

Mr. Thompson spoke to the concluding meeting of the youth training conference which discussed a report from the Royal Canadian air force concerning suggestions as to how the youth training project would cooperate in the war effort in respect to training aircraft mechanics.

The report stressed the need for trained personnel. It offered R. C. A. F. cooperation in certain respect so young men trained under the youth program would be able to fit into jobs expected to open up in the air training plan.

MINING

(Canadian Press)

TORONTO, Jan. 25—

Stocks	Close
Aldermac	32
Amm Gold	5 1-2
Anglo Cdn	100
Arntfield	13 1-4
Aunor	250
Bagamac	8
Bankfield	23 3-4
Base Metal	26
Bear Ex	7
Beattie	114
Bidgood	13 1-4
Bobjo	8 1-2
Broulan	60
Brown Oil	17 1-4
Buff Ank	850
Buff Cdn	3
Calmont	42
Cdn Malar	78
Cas Treth	71
Cent Pat	250
Cen Porc	13
Chester	98
Chromium	48
Cochenour	72
Con Smelt	46 1-4
Davies	30
Dome Oil	28 1-4
East Crest	7
East Malart	395
Eldorado	107
Falcon	415
Fed Kirk	4
Francoeur	55 1-2
Gillies Lake	57 1-2
Goldale	20
Gold Eagle	20
Gold Gate	19
Gunnar Gold	61 1-2
Halliwell	2 5-8
Hard Rock	128
High Sar	19
Hollinger	14 7-8
Home Oil	280
Homestead	6 3-4
Howey	40
Hud Bay Min	30 3-8
Insp M D	34
Int Nickel	44 1-4
Island Min	107
Jellicoe	17 1-2
Kerr Add	250
Kirk Hud	23
Kirk Lake	146
Lake Shore	29
Lamaque	655
Lapa Cad	17 1-2
Lebel Oro	1 3-4
Leitch	84
Little L L	310
Macassa	450
MacLeod	250
Madsen	51 1-2
Malartic	105
McIntyre	55 3-4
McKenzie	140
McVittie	11
McWatters	47
Min Corp	118
Moneta	86
Morris Kirk	7 1-4
Murphy	1 1-2
Naybob	34 1-2
Newgold	9 1-2
Noranda	77
Nor Empire	900
OBrien	157
Okalta	116
Omega	26
Oro Plata	35
Pamour	215
Partanen	7 1-2
Paymaster	50 1-2
Perron Gold	209
Pick Crow	390
Pioneer	215
Powell	122
Preston	218
Reno Gold	44
Royalite	34 1-2
St Anth	19
San Ant	240
Senator	51
Sherritt	103
Siscoe	78
Sladen	42 1-4
Slave Lake	5 1-4
S'west Pete	53
Steep Rock	210
Straw Lake	4 5-8
Sturgeon	11 1-2
Sud Basin	180
Sud Cont	4 7-8
Sullivan	91
Teck Hugh	405
Texas Corp	62
Towagmac	25
Uchi	91
Up Canada	76
Ventures	415
Wa Amulet	575
Wendigo	9
Wood Cad	25 1-2
Wrt Harg	765

UNLISTED

Dalhousie	45
Foothill	90
Mandy	12
Pend Ore	198

TORONTO, Jan. 25—(CP)—The stock market had another hesitating session today with losses showing narow preponderance over the gains. The golds were up a little and the industrials practically unchanged. Volume was small at 275,000 shares.

Powell Rouyn and Wright Hargreaves posted new lows for the current decline. Hargreaves slipped back 25 to 7.65 and Powell touched its low for a year or more at 1.18 and then firmed to 1.22 to finish 16 down for the day.

Other soft spots in the golds were Aunor, Pickle Crow, Teck Hughes, and MacLeod Cockshutt. LeMaque and Northern Empire were down 45 and 25 cents respectively. Narrow gains were chalked up for Chesterville, Inspiration, Kirkland Lake, Macassa, Little Long Lac, O'Brien and San Antonio.

Hudson Bay lost 5-8 and Smelters firmed slightly while the cheaper issues, including Sherritt, Pend Oreille and Venures weakened narrowly. Eldorado posted a loss of 2 cents.

Steel and building shares were the strongest of the industrial section and the tone was a bit heavy for the utilities and the foods. Fleet Aircraft backed up 3-8 to 9 1-4 in light turnoved and other aircraft stocks were firm. Senior oils held firm.

Home Oil was fairly active with the price holding around 2.80, off 2 cents and the close was down slightly also for Anglo-Canadian, Calmont and Okalta.

WILLING BUT WEAK

LONDON —(CP) —Sir Patrick Hastings, journalist- barrister who saw service in the South African War (1899-1902), has relinquished his commission as squadron-leader in the R. A. F. because of ill-health.

DEGRESS DOWN UNDER

CHRISTCHURCH N. Z., —(CP)— Lowest temperature in a year here was 24 degrees below zero—in June —and highest 91 degrees —in December—according to the New Zealand Year Book.

ANNUAL MEETING

Queen's County National Conservative Association

STRAND THEATRE, Charlottetown, P.E.I.

TUESDAY, JANUARY 30th. 1940

At the same time and place a Convention will be held to nominate a Candidate caused by the resignation of Mr. John H. Myers.

Each Poll is entitled to five delegates. Those from the FIRST and SECOND DISTRICTS will meet in the Main Auditorium promptly at 12.30. Those from the THIRD and FOUTH DISTRICTS will gather in the Board of Trade Rooms at the same time, in order to facilitate the selection of members on the County Executive. Regular meeting will begin at 1 o'clock sharp.

P. J. ROSSITER, Acting Secretary

P. W. TURNER, President

Advertising Rates—Payable in Advance

Mimimum Charge for Any Advertisements 25 Cents

Central Guardian locals, 5c per word; Western and Eastern locals 2c per word; Announcements and Coming Events 3c per word: Classified 3c per word; In Memoriam Notices 70c per inch; Lists of Floral and Spiritual Offerings, Cards, etc., 5c per name; Letters of Condolence 70c per inch. Wedding engagement 40 words for $1.00 and 10 cents for every additional 3 words. Notices of Thanks and Appreciation, 70c per inch or 4c per word. Lists of Subscriptions 49 cents per inch. Address and Presentation $1.00. Other rates on application.

Work Wanted

EXPERIENCED MAID WANTS work. Apply Guardian. L-883-1-26-21.

Wanted

FEEDER PIGS WANTED 6 WEEKS to 3 months old. Write stating age, size and price F. O. B. shipping point. L. M. Anderson, Sackville, N. B. L-894-1-26-31.

Captured

CAPTURED — FEMALE FOX. Dead. Lloyd I. Inman, Augustine Cove. L-882-1-26-11.

Lost

LOST — GOLD WRIST WATCH. Finder will be suitably rewarded by leaving same at the residence of W. F. Tidmarsh, 115 Rochford Street. L-890-1-26-31.

For Sale

FOR SALE — FIVE YEAR OLD Mare, also 1¼ year colt. Michael Costello, Green Bay. L-889-1-26-11.

FOR SALE — 4 BARRELS 45 GALLONS each, first grade motor oil less than wholesale price. Call Tom Davies. L-889-1-26-31.

FOR SALE—GENERAL PURPOSE mare 4 years, weight 1100; Percheron horse, 7 years, 1300; Percheron horse, 3 years, 1200 (broken). Ray MacCallum, Dunstaffnage. L-874-1-25-21.

Salesmen Wanted

MAN WANTED. GOOD NEARBY Rawleigh Route now open. Sales way up this year. If willing to conduct Home Service business while earning good living, write immediately, Rawleigh's Dept. M-L-470-46-A-, Montreal, Canada.

To Let

THREE FURNISHED ROOMS FOR light housekeeping. 106 Hillsboro Street. L-814-1-24-31.

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WARTIME ADJUSTMENTS REVIEWED
IMPORTANCE OF EXPORTS STRESSED
By J. A. McLEOD, President, at 108th ANNUAL MEETING
THE BANK OF NOVA SCOTIA

Assistant General Manager, H. D. Burns, Presents Statement Showing Assets at New High Level and Pays Tribute to Staff

In addressing the Bank of Nova Scotia shareholders at the 108th Annual Meeting held at Halifax on January 24th, Mr. J. A. McLeod, President, outlined the current outlook for business, stressed the necessity of co-ordinated effort under war conditions and pointed out that wartime expansion does not mean prosperity in the usual sense.

He spoke in part as follows:

"While we look back upon a year of improvement in business, the economic picture is overcast to-day by the dark shadow of war. For the second time in the present century, Canada stands with the Empire and France in a war brought about by the aggressive acts and policies of a German Government. Although we are confident as to the outcome, we must realize none the less that the war may be of long duration and that victory may cost the nation great effort and much sacrifice. Needless to say, this Bank will endeavour to the full extent of its powers to play its part in facilitating the economic adjustment and development which is to come, both in its direct relations with industry and trade and in co-operating with Government."

Business had shown an improvement in 1939 which was accelerated after the outbreak of war. This improvement was particularly pronounced in manufacturing, where employment and production reached the highest point on record. Other important activities also showed improvement, notably agriculture and mining output.

Businesss Outloo is Toward Expansion

"It is scarcely to be expected that the business improvement will continue throughout the winter at the rapid rate which characterized the first three months of the war. None the less, under wartime conditions the general direction of the volume of production and employment is likely to be upward, though admittedly there may be interruptions in the rising trend.

"Under the present conditions of war, three factors occur to me which appear to be of major importance in determining the business outlook. The first is the amount of expenditure by the Dominion Government for war purposes; the second is the extent of British purchasing both of war materials and other goods; and the third, but not least important, is the course of economic events in the United States.

"In the emergency of war, public spending is of necessity greatly enlarged and is bound to play a leading part in the business situation. That such expenditures will be heavy is clearly shown by the present estimates of the Dominion Government's war outlays for the first twelve months of the conflict; they are placed at about $375 millions—an average of roughly $1 million per day.

"It would also appear that the second factor—the extent of British purchasing in Canada—is likely to be of increasing importance. Although British contracts and orders have not been placed rapidly in this country, several very large contracts including those covering base metals and bacon have been negotiated and there is every prospect that the volume of British purchasing will be steadily increased. It was recently announced in Ottawa that British purchases in Canada during the first year of the war would probably be in the neighbourhood of $400 millions to $500 millions.

"The third factor—the business situation in the United States—is somewhat more difficult to appraise. Business in that country is at present holding its ground, and in some lines is still expanding, after the remarkably sharp improvement from August to November. So long as conditions remain as active as at present, the outlook for Canadian exports to the United States is favourable, and the prospects for business expansion are further improved."

Wartime Expansion Does Not Mean Prosperity in the Usual Sense

"Although the general trend of production and employment is likely to be upward, we must remember that business expansion in wartime does not mean prosperity in the usual sense. In peacetime a growing volume of production means that there are more goods and services available for the population and this normally results in a rising standard of living. In wartime, however, an increased production and effort is required for the purposes of the conflict. This production and effort has to be sacrificed for the needs of the war and is not available for the improvement of living conditions.

"For a time, Canada may be able to increase her production sufficiently to provide for these additional requirements of war without curtailment of production in other lines and thus without reducing living standards. Idle labour and capital may be put to work, partly employed persons may find full-time occupations, and people may generally work harder and longer. There is undoubtedly much scope for increasing production in Canada—more indeed than in most other countries. But if the war lasts for long, and we have no reason to believe it will be of short duration, it may result in some curtailment of non-essential production and Canadians may have to accept a reduction in the standard of living.

"Our Government is now actively engaged in developing Canada's war effort—in directing and increasing part of the nation's energies toward war purposes. This means that a growing percentage of the national income will be passing through the Government's hands. On the one side, the volume of wartime expenditures is rising steadily, while, on the other, the necessary funds are being obtained through increased taxation and borrowing."

Rising Taxation and Public Borrowing

"Rates of taxation have already been raised considerably and we cannot disregard the possibility that further increases may be necessary in future. The Government, indeed, has indicated its intention of following as far as is practicable a pay-as-you-go policy. In announcing this policy in the Budget Speech of last September, the Minister added: 'In imposing the new tax burdens which this policy will require we shall be guided by the belief that all our citizens will be ready to bear some share of the cost of the war, but we shall insist on the principle of equality of sacrifice on the basis of ability to pay. We shall not, of course, be able to meet all war costs by taxation because there is a limit to the taxes that can be imposed without producing inefficiency, a lack of enterprise, and serious discontent.' The minister also made it clear that during the early months of the war, the expansion in tax revenues could not be expected to provide for any very important part of the increased expenditures, particularly since two of the leading new imposts are not applicable until the incomes of 1940 have been received.

"The Government has therefore been borrowing first from the banks and recently from the public. The first loan, of $200 millions from the banks, was designed to promote an increase in productive activity and did not represent a draft upon the savings of the Canadian people. It was financed by an expansion of credit but as the Government took pains to point out, this type of borrowing would have to be strictly limited in order to avoid the danger of creating an inflationary situation."

First War Loan Outstanding Success

"The War Loan just floated has thus been a call upon the national savings and it is only to be expected that as the war progresses further requests will be made to the Canadian public to place additional amounts of its savings at the disposal of the Government, not only for the requirements of our own war effort, but also for the repurchase of Canadian securities held in Great Britain. That this will be done willingly and in a spirit of public service is clearly demonstrated by the signal success of the first public loan. Not only did the well-to-do respond immediately to the national call for funds, but people of slender means and persons in all walks of life have unhesitantly offered their contributions. This wide and prompt response is another striking indication of the united will of the Canadian people to throw their whole weight into the struggle against aggression.

"However distasteful may be the spectacle of increasing taxation and rising public debt, it will undoubtedly be accepted with understanding and determination. There is no easy way to finance war. If the methods of taxation and borrowing were not to be heavily relied upon, then the alternative would be inflation with all its inequities and unhappy implications for the future. But while there can be no question of the public's full co-operation in supporting the necessary measures of war finance, it is also essential that the Government should eliminate all unnecessary expenditures and should maintain a high degree of efficiency in the great national effort upon which we have embarked."

Wartime Controls and Regulations

"In other respects too, the business situation has been altered by the war. An intricate system of Government controls over important phases of economic life has already been developed and on the whole is operating efficiently and with a minimum of interference to business. Foreign exchange control has been established with a view to conserving our external resources through the control of international movements of capital. The Wartime Prices and Trade Board has also been set up to prevent unnecessary advances in prices and to ensure adequate supplies of important commodities. These and other government regulations have been necessary and desirable under the present circumstances of war. They should be regarded, however, as purely wartime measures to be removed promptly following the cessation of hostilities."

Canada's International Position

"It is a far stronger Canada that stands today by the side of Britain and France than was the case in 1914 Our exporting capacity is more than twice as great, our manufacturing production has approximately tripled, our mining output is many times greater and large increases have also occurred in agricultural and forestry production.

"On the financial side there has been an equally striking change in our international position. Prior to the last war, Canada was a 'young' country in every sense. She was in the midst of a period of rapid exploitation and development of her natural resources—a process which was financed to a very large extent by capital from abroad. Canada was a heavy importer of capital and had a correspondingly large deficit in her current balance of international receipts and payments. Today in sharp contrast, Canada is a much more 'mature' country. In recent years we have had substantial surpluses in our current international accounts which we have been using to reduce our net external indebtedness. Thus from a position in which we were dependent upon heavy imports of capital, Canada has become a substantial exporter of capital."

"Favorable" Trade Balance with Britain

"Let us examine the nature of the recent surpluses in our current international accounts, or what is often called our 'favorable' balance of payments. During the five years from 1934 to 1938, the average 'favorable' balance was not far from $200 millions per annum. The greater part of this arose out of our transactions with Great Britain and has been mainly a reflection of the heavy surplus of commodity trade with the 'Old Country'. Our transactions with the United States, on the other hand, left a moderate balance on the debit side while our business with the rest of the world resulted in an appreciable credit item.

"In peacetime, the geographical distribution of our balance of payments was not a matter of serious concern. We recognize that international trade was a many-sided process; we had not fallen into the error of judging our business relations with each other country by the net trading balance.

"In wartime, however, the geographical distribution of our international transactions becomes a matter of first-rate importance. At a time when the Empire is marshalling its strength to meet a grave challenge to its existence and way of life, it is apparent that Canada must turn her financial resources toward the common effort. We are no longer justified in using our 'favourable' balance with Britain to reduce our debt in the United States, however desirable this may have been in peacetime. But rather, it is clearly a part of our contribution to the Allied cause to reduce the substantial drain on Britain's current financial resources which is involved by payment of our 'favorable' balance in freely available foreign exchange.

"Canada is in a position to do this by repatriating Canadian debt held in Britain—by taking back our own securities, instead of foreign exchange, in payment for part of our exports to Britain. The first operation of this kind has already been carried out, when in October the Dominion Government redeemed a $92 million sterling issue and replaced it by a Canadian issue sold to the chartered banks. The result was that $92 millions of Canadian funds became available to Britain while from a Canadian standpoint, this external debt was paid off and replaced by an internal obligation of the same amount. As this operation demonstrates, such repatriation of debt requires not only a 'favourable' balance of transactions but also the ability on the part of the domestic capital market to absorb new issues of like amount."

Importance of Maintaining Export Income

"Since our 'favorable' trade balance with Great Britain is no longer likely to be fully available in the form of foreign exchange, it is highly desirable that our export income from other countries be maintained and, if possible, increased. It is true that in recent years Canada's total receipts from other countries have been somewhat more than sufficient to meet her payments to them. But if Canada is to act as a great supply base for the Allies, it is probable that we shall have to increase our imports, particularly of such things as machinery and equipment from the United States.

"The more Canada is able to increase her export income from the United States and from other non-belligerent countries such as those of Latin America, the greater will be her ability to buy necessary equipment, supplies and raw materials for the purpose of the war. In a very real sense our exports of such 'peacetime' goods and services as gold, newsprint, cattle, and tourist services are just as much the sinews of war as the productions of munitions in Canada. The importance of the export port trade is a very familiar theme at our annual meetings. But it is a truth that must never be forgotten and than can well be emphasized in wartime.

"Taking a longer view, a policy of attempting to increase our exports of 'peacetime' goods and services has the great advantage that its benefits will outlast the war. Canada has opportunities today of obtaining trade, which in part at least, she may be able to keep permanently. Such a policy then, is not just a wartime expedient. It is one of building for the future and the more successful it is the more it will facilitate the inevitable re-adjustment at the close of hostilities."

Assistant General Manager's Address

"The President has already referred at length to the effect of the war on the entire economic structure of the Dominion; and in the absence of the General Manager, who is enjoying a well-earned rest, I shall restrict my remarks to a brief review of the principal items on the statement now presented to you.

"Due to an increased amount of loans and a larger volume of business generally, we are able to report profits of $2,033,333, after taxes of $659,190 and after making appropriations to contingent accounts out of which provision for bad and doubtful debts has been made. The earnings are almost $53,000 larger than those for 1938 and, in addition, we have paid $23,000 more taxes.

"From the profits of the year we have declared the usual four quarterly dividends of $360,000 and contributed $190,000 to the Officers' Pension Fund and have written off Bank Premises $250,000. This left from the year's profits $153,000, which has been added to the balance of $1,021,000 carried forward from the previous year, thus making our undivided profits $1,174,000

Balance Sheet Shows Expansion in Business

"Turning to the balance sheet, itself, our notes in circulation at $8,295,000 shows a reduction of $379,000 from the previous year. Our statutory limit for notes in circulation in Canada will increase to $9,600,000, but under the terms of The Bank Act this was reduced to $9,000,000 at the commencement of 1940. Commencing next year the reduction in our authorized limit for notes in circulation in Canada will increase to $1,200,000 per annum for five years until the limit is reduced to $3,000,000.

"Total deposits at $279,766,000 are at a record-high figure, and show an increase of almost $26,500,000 for the year. About half of this amount is represented by increased balances due to the Dominion and Provincial Governments, but there has been an increase of almost $11,000,000 in our deposits from the public, not bearing interest and an increase of $3,000,000 in deposits bearing interest

"On the Assets side of our statement our cash holdings, that is, coin, notes of, and deposits with the Bank of Canada and Government and other bank notes total $35,698,000, which is 11 1-2% of our liabilities to the public —a slightly lower percentage than the 12% shown a year ago. Our other cash assets, consisting of exchange for the Clearing House and bank balances carried with Correspondents elsewhere than in Canada, bring the total up to $67,130,000, which is almost 22% of our public liabilities as compared with 20% a year ago.

"Our total investments which are carried in our balance sheet at prices not exceeding market values, now amount to $136,065,000, which is an increase of $9,000,000 over the total shown a year ago. This increase is represented entirely in our holdings of Dominion and Provincial Government securities maturing within two years, all the other holdings in the investment accounts showing moderate decreases. Our participation in the recent two-year war loan, which was placed by the Government with the Chartered Banks a few weeks ago, more than accounts for the increase in our Dominion and Provincial Government securities.

"Call loans in and out of Canada are at the relatively low figure of $6, 312,000, a reduction of $3,138,000 from the total of the previous year. Decreased activity in certain sections of the security markets in this country and the desirability under present conditions of carrying a large part of our foreign balances in cash explain this reduction.

"Total quick assets aggregate $209,507,000, 68.39% of our public liabilities: this is a reduction of about 2% from the percentage of a year ago."

Upward Tendency in Loans

"Our current loans in Canada at $91,898,000 are $14,226,000 higher than they were a year ago. This is largely accounted for by advances to our customers in connection with the moving of the large western wheat crop of the past season but, as well, in other directions we have experienced an encouraging demand for loans for commercial purposes from the Bank's customers.

"Current loans elsewhere than in Canada at $15,056,000 are slightly increased over those of a year ago.

"Total assets at $343,491,000 show an increase of $34,000,000 for the year and are at the highest figure in the history of the Bank."

Tribute to Staff

"At this time on behalf of the General Manager as well as for myself, I wsh to pay tribute to the loyal and efficient assistnace and co-operation that we have received from the officers and staff of the Bank during the past year, which for many has been a difficult one. It has involved in many cases long extra hours which have been cheerfully given as an unavoidable accompaniment to the special situations that arise in war times. I would be remiss if I did not mention this; may I add also that the statement presented to you today is tangible evidence of the capable and competent character of the services of the men and women—2,537 in all—who make up the staff of the Bank throughout the Dominion and elsewhere.

"While Canada's contribution to the Empire's fighting forces is not large in number, it is generally admitted that its personnel is of a very high character. We are proud to say that included therein are thirty-seven of our young men who have been given leave of absence from their duties in the Bank for the full term of their war service. They carry with them the good wishes not only of their fellow-workmen on the Bank's staff, but, I know, of the share-holders as well."

WHERE THEY GROW BIG

WELLINGTON, N. Z., —(CP) — The New Zealand Year Book points out that the galaxius attenuatis (minnow to you) may attain a length of seven inches in N. Z.'s fresh waters.

WEST INDIES TRADE

KINGSTON, Jamaica —(CP) — Prospects of British colonies trade are greatly enlarged by trading arrangements of the Ottawa Economic Conference and subesequent concessions, says West Indies Year Book.