Monetary Times

Trade Review and Insurance Chronicle of Canada

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One Year	Six Months	Three Months	Single Copy
$3.00	**$1.75**	**$1.00**	**10 Cents**

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The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

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CANADA'S COAL SUPPLY

Some years ago, Dr. George Otis Smith, director of the United States Geological Survey, commenting upon the world's supply of coal, and with particular reference to the reserves in his own country, said: "This glance at the world's reserves of coal shows plainly not only that the United States leads all other countries in production, our annual output being nearly 40 per cent. of the total, but also that it possesses the greatest reserves. Yet in respect to no mineral is there greater need to emphasize the folly of exporting the raw material. Let us keep our coal at home, and with it manufacture whatever the world needs." It is not without significance that advice to the United States to keep its coal at home and with it manufacture whatever the world needs should even be suggested. As Mr. Arthur V. White, a consulting engineer who for many years has made a study of this problem, recalled in *The Monetary Times Annual* in January, examples are not wanting to show that when countries have recognized the fact that certain of their natural resources were essential to their national welfare, policies have been adopted designed to stop or curtail the exportation of such natural commodities.

This week from Washington came the news of a proclamation of President Wilson requiring the licensing of exports, especially of coal. According to a Buffalo report, commencing midnight of next Sunday no coal will be sent into Canada except under special license, and for 60 days from that time there will be a rigid embargo against coal shipments to Canada. It has been stated frequently that the growing industrial and other needs of Canada require that there no longer be exportation of Canada's electrical energy to the United States, without acceptable *quid pro quo*. This policy of Canada's retaining her electrical energy for her own use, is that which stimulates one like the District Attorney who (in November, 1916, in charge of the investment at Buffalo respecting the coal situation), asked one of the witnesses the pertinent question: "If the Canadians put an embargo on power when there is a power shortage, should we not put an embargo on their getting coal when there is a shortage here?"

Ontario and Canada may yet require every unit of electrical energy just as much as the United States may yet require every pound of phosphate rock, or may find it expedient to retain every pound of coal. Mr. Arthur V. White, quoted above, has in these columns emphasized the fact that the people of Canada, and especially of Ontario, should understand and fully realize the extent to which they are dependent upon others for their coal supply, and understand also their increasingly great dependence upon hydro-electric power as well as its relationship to coal.

OUR COMING PROBLEMS

The duty of the government of Canada clearly is to take the initiative to call to their counsel representatives of the interests involved and to plan now with definiteness and in detail for the period of readjustment and reconstruction of industries, which inevitably must come soon. This is made clear in an exceptionally thoughtful and logical statement regarding national ideals in industry, by Mr. G. Frank Beer, in his contribution to the recently published volume, "The New Era in Canada." He points out that preparedness for such a time is not the work of days or weeks but will be the arduous and concentrated task of many months if it is to prove in any degree adequate. That we have trusted to haphazard solutions for problems of such importance and have pleaded the pressure of other problems as an excuse for inaction, is unfortunately true. This, says Mr. Beer, is not the part of wise statesmanship nor yet of shrewd business foresight. He adds: "As in time of war, the responsibility for success lies chiefly with those in the higher commands, so in the coming time of peace that responsibility must be borne by those who occupy positions of industrial and national leadership. Failure to meet the coming problems of employment will be paid for in disappearing profits and in social if not in national disintegration. What has been done generously and effectively by the few in time of war must be done by the many, assisted, and if necessary led, by the government if we are measurably to solve the problems of peace. For lack of preparedness where so much is involved public authorities and industrial leaders should in future be held to strict accountability."

The spreading movement toward State control of industrial and other services is one to which our industrial and financial leaders have given comparatively little thought. They have treated it like the persistent mosquito—"swatted" it without thought and with the nearest available weapon. This movement towards State control, however, is one which our industrial and financial men should consider seriously. The war has given to it a fillip which the period after the war is not likely to overcome. Mr. Beer, who writes with the experience of a captain of industry, says that the strength of the movement lies in the conviction of many that the present industrial system recognizes only the law of the jungle—power. "If it be true," he says, "that Canadian prices are fixed at 'all the traffic will bear,' which being interpreted means the maximum made possible by monopoly or a protective tariff; if the possession of power justifies, in the opinion of those who control industry, its exercise to secure labor at a price measured only by the necessity of workmen and workwomen; if profits have no moral measurement, then the present industrial system should