

MUST REPAY NATIONAL BORROWINGS

Whether by Gold or Products Depends Upon Canada's Development of Farm, Mine and Forest

That Canada would borrow \$100,000,000 a year during the course of war, that Canadian banks had provided for the legitimate banking requirements of the community, made advances to government and municipalities to enable them to complete works under contract, provided for the payment in whole or in part of treasury bills and other short-date securities maturing due abroad, which, but for the war, would have been funded, and financed the movement of the grain crops and other products of Canadian agriculture, and that confidence was restored, panic allayed, trade passing across the ocean in tranquil security, the stock exchanges opening, money becoming easy, industry in all lines quickening into activity, were pointed out at Montreal by Hon. W. T. White, when addressing the Canada Club.

Hon. Mr. White explained that debts to another nation must be paid, directly or indirectly, in products, services, interest on investments, or in gold; until the balance is redeemed, the nation must export her gold.

"The so-called adverse balance of trade against Canada amounted in the fiscal year 1912 to over \$225,000,000; in 1913 to \$300,000,000, and in 1914 to \$180,000,000. How did we pay it? The answer is that we paid interest and balance of trade by borrowing.

Borrowing is Gold.

"We are overtaking our adverse trade balance. From April 1, the beginning of our fiscal year, to October 31 we had an excess of imports over exports of \$56,000,000, while for the same period of last year the excess was \$141,000,000. Another factor which will materially help us is our borrowings in London for war. War is our first business until it is over. We shall borrow probably a hundred million a year, the greater part of which will be spent here. That borrowing is gold—the equivalent of exchange, so far as it is spent in Canada. Then there are the orders placed by British, French and Russian governments. The funds for those orders are also gold. Then there will undoubtedly be borrowing abroad on a reduced scale as money markets become easier, as is now their tendency. London may within a few months resume lending. What a marvel is Britain to-day, financing the war out of her savings, and with a margin left over for investment! No doubt the United States will purchase some of our high-class securities, because, as I pointed out, we cannot buy unless we borrow or sell, and we buy more from the United States than from any other country.

Agricultural Production is the Means.

"Next year our agricultural production will be immensely increased. Every man with a plot of land should plant it next spring. Our exports will thus be greatly swelled. By all these means Canada is taking and will take steps, no doubt unconsciously to the great body of her citizens, who work by sure instinct, to meet the subversive conditions created by the war and the large adverse trade balance without resorting to gold exports."

The speaker showed that while in the month of August last the exports of the United States decreased 40 per cent., and those of Great Britain 45 per cent., Canada's increased 17 per cent. In September Canada held her own, United States declined 28 per cent., and Great Britain 35 per cent. In October our exports fell off 14 per cent., while Britain's declined 36 per cent.

WESTERN DRY DOCK COMPANY'S NEW WORK

The Western Dry Dock and Shipbuilding Company, of Port Arthur, has one of the most complete plants for high-class metal working and wood-working on the continent. Similar plants on the American side are utilized for a variety of manufacturing apart from shipbuilding, and it is the intention to do the same at Port Arthur. Mr. James Whalen is the leading spirit in the new undertaking, and has already arranged for the financing of it. The plan involved the immediate construction of a \$25,000 addition to the existing plant and means the employment of several hundred skilled workmen. Beside the finest classes of interior woodwork the company will manufacture boilers and engines of all kinds, clam shells and structural iron and steel products.

DOMINION TRUST AFFAIRS

Court Solicitor Talks of Thievery and Robbery—Liquidator Drayton's Report

According to a Canadian Press dispatch of Monday, a meeting of creditors of the Dominion Trust Company unanimously resolved to recommend Mr. A. C. Starrett, Vancouver manager of the General Administration and Credit Foncier, as its nominee for the liquidatorship, and by another unanimous resolution decided to be represented by independent counsel at the court proceedings yesterday, when Chief Justice Hunter was to make the final appointment. The meeting also recommended Mr. C. R. Drayton as its selection for the office of inspector on behalf of the creditors.

Thievery and Robbery.

Mr. G. R. Cowan, whom the court had appointed permanent solicitor in connection with the case, said:—"Investigation which I have made into this concern has exposed a perfect labyrinth of thievery and robbery. I cannot be persuaded that only one man was concerned in this. I want good men with me, who will do their duty. Give me time and I will bring them to book."

Mr. Cowan said that he personally regarded Mr. Starrett as an excellent man, honest and upright, and with "no strings on him."

Mortgages to New Trustees.

Over \$100,000 worth of first mortgages on property in Vancouver, Victoria, Nanaimo, Calgary and Regina, belonging to the superannuation fund of the Methodist Church, which were being held in trust by the Dominion Trust Company, are to be turned over to new trustees to be appointed by the Methodist Church. An order to this effect was made by Chief Justice Hunter on the application of Mr. T. J. Baillie. A list of the mortgages, 62 in number, was furnished to the court. These mortgages had all been examined by the solicitor for the provisional liquidator and found to be in order.

Endorsed Action of Creditors.

At the meeting of contributors of the Dominion Trust Company, only four persons attended, and by a vote of three to one endorsed the action of the creditors in recommending Mr. A. C. Starrett, manager of the General Administration Society and Credit Foncier, to conduct the liquidation.

Among the contributors are a number of shareholders who owe as high as 65 per cent. on their shares. Altogether, the shareholders are liable for contributions amounting to over \$180,000.

The following companies have been licensed to do business in Ontario: Colonial Hide Company, State of Maine, capital stock \$1,000. Armour and Company, New Jersey, capital \$200,000. Sideway Mercantile Company, Indiana, capital \$40,000.

HOW the World's Credit Machine Works

A SIMPLE STORY OF THE
MAKE-UP OF AN ECONOMIC
PLANT WHICH BROKE DOWN.

See *The Monetary Times Annual*
ORDERS BEING RECEIVED NOW.
PRICE FIFTY CENTS.