

CONSERVING OUR MONEY RESOURCES.

The necessity for present-day conservation of our money resources, which has been lately emphasised in these columns, is the text of an important article appearing in the new issue of the Journal of the Canadian Bankers' Association, that may be taken as representing very fairly the bankers' views of the course of events. It is pointed out that it is becoming increasingly apparent that bank resources will be severely taxed by the requirements of the business interests of the country and the special governmental demands arising out of the war. While the successful prosecution of the war is the immediate purpose to which all other considerations are secondary, it does not necessarily follow, in the opinion of economists, that all available cash resources are to be unreservedly turned into war channels. The duration of the war is an uncertainty, and if business is crippled, and profitable manufacturing production is paralyzed by withdrawal of the necessary capital, there will very shortly be an end of money for the war itself. The creation of wealth is the correlative of its conservation if Canada and the banks are to "carry on" financially until the end of the struggle.

RISKS OF OVER-STOCKING.

The article proceeds:—

"There are two principal reasons why Canadian bankers should warn their friends, the merchants and manufacturers of the Dominion, against overstocking. First, the outlook for trade in Canada, after the war, is obscure to a greater degree than ever before, and manufacturers and merchants must guard against finding themselves with goods on hand produced under fictitious conditions as regards cost of labor and material, for which there may be little demand, even at heavy loss.

The second reason Mr. E. F. Hebden gave in his timely hint as to how the commercial demand for discounts might be diminished to a certain extent without appreciably cutting down our productive capacity, in his address to the Merchants' Bank shareholders on June 6th, when he referred to "the unreasonable buying and storing of raw material far ahead, and excessive contracting in advance on borrowed money" practised by some clients of the banks. There has not yet been serious pinching in the matter of money supplies, and if customers

generally recognized it as a patriotic duty to limit their demands for loans, there will be a better chance of avoiding or escaping a prolonged stricture; at the same time the banks will have a freer hand in extending financial support to the Government.

"By way of illustration, it might be said that the general public can help, in this matter of conserving the money resources of the country, by postponing extensions to plants and machinery which could be profitably operated, but which can wait—this does not, of course, refer to war industries; buying only such goods as are needed to carry on business, and not stocking up beyond present needs in the hope of gain through a further increase in price; avoiding special operations which promise to be profitable, but might just as well be left alone. During this great crisis it is most important that the individual customers of the banks make some effort to discern the economic effect of the credit transactions which they submit to their bankers. Particularly in those transactions which merely promise personal gain without increasing Canada's production, should self-restraint be exercised."

This admirable statement of the present condition of affairs, and of necessary measures to aid the banks in "carrying on," deserves the widest publicity. In such times as this, more harm is probably caused through thoughtlessness and ignorance than by design, and it is to be hoped that the sound counsel here given will be carefully noted by business men throughout the Dominion.

MAJOR-GENERAL E. W. WILSON, C.M.G.

Not only military men but also the business community have been highly gratified at the honour bestowed upon Major-General E. W. Wilson, commanding the Montreal district, who has been made a Companion of the Order of St. Michael and St. George. The admirable character of Major-General Wilson's service in his command of the Montreal district during the war is well-known, and it is generally felt that the honour now bestowed is thoroughly and well deserved. In business life, Major-General Wilson, as the Montreal manager of the Canada Life, is a very well-known member of the insurance fraternity. Insurance men are extremely gratified that this honour has been bestowed upon one of their number, and tender General Wilson their warmest congratulations.

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