

## Banks, Bankers and Banking

# Outlook for Credit Stringency

Canadian Bankers getting cautious about situation for crop-moving — Some predict 10 p.c. call money — Deposits may shrink somewhat

BY THE FINANCIAL EDITOR.

Canadian bankers are beginning, in their customary cautious way, to intimate their expectation of a decided tightness of credit this autumn. Some of them go so far as to predict a rate of 10 per cent. for Canadian call money, which would doubtless be a rude shock to the Canadian stock market but might not succeed in detaching from that market any appreciable amount of the Canadian funds which are now employed in it.

Some of the banks are reported to be preparing an energetic campaign for the strengthening of their savings accounts, by educational propaganda, extensive advertising, and the offer of slightly larger facilities than are ordinarily customary. All this is in the expectation that savings deposits may in the next few months be somewhat curtailed, and that the demand for loanable funds will remain as strong as ever, if indeed it does not increase.

Canadian financiers are beginning to find out that an export trade in manufactured articles ties up a much larger amount of money than was generally supposed. Most of the customers to whom Canadian manufactured articles are now being offered—of course with the exception of those who have to have them, as in the case of the American importers and newsprint—are incapable of purchasing except upon very generous terms and long-time credit. Such transactions can only be indirectly financed by the banks; but in the long run the money necessarily comes from the same sources as those from which the banks derive their funds; for the well-to-do corporation, if it

employs its own money in financing an export trade to Europe or South America, is thereby compelled to draw just so much more money from the banks for the carrying on of its domestic business. Corporations which are not well-to-do are practically debarred from export trade altogether, and a host of very promising mushroom organizations for export are already withering on their stalks for lack of the necessary depth of soil.

The larger and the higher priced the Canadian wheat crop proves to be, the greater will be the autumn strain upon the financial resources of the country in the process of marketing it. It would appear this year, for the first time since early in the war, ordinary processes of trade are to be employed in disposing of the Canadian crop, which means that the ordinary mechanism of private credit will have to be utilised in financing the transaction. Eminent professors in the west are speaking of a price of three to five dollars for the best grades of Canadian wheat, and all reports appear to confirm the idea that the crop will be very large. Something will depend upon the extent to which farmers may desire to hold the ownership of their wheat with a view to possible higher prices. They have had a rather encouraging lesson in this respect during the past twelve months, and that lesson is just being hammered into them by the cashing of their participation certificates out of the profits of the Government-organized wheat pool. There is talk of the organization of a somewhat similar pool by private initiative for this autumn; but the

makers of the pool will either have to put up their own money or to secure money from the banks, and they may not be willing to do the first, while the banks are certain to exact rather onerous terms for the second. Now, whether the farmer sells his wheat or not, he is likely to want to get a considerable portion of its selling value in cash as soon as he delivers it to the elevator; so that no matter whether it is held by farmers or by non-farming speculators, the crop will still make a very large demand upon the banks during this month and the two following.

If the rates on money rise as extensively as is expected, and if the amount of money at the disposal of the banks is not seriously curtailed, the next six months should be a period of very large banking profits. The banks have largely overhauled their western organizations, and are now in a good position to make all that can be made out of the increased demand for their services.

### Bulletin on Making Women's Hats.

One of the lines of commerce that has not escaped the High Cost of Living movement is millinery; at least this is the opinion of some husbands and fathers. To enable Manitoba women, both rural and urban, to be more resourceful in the making of their own hats, the Agricultural Extension Service has for years been conducting short courses in millinery in various parts of the Province, seventy-five of these courses being held in 1919.

As an aid in this work, and also to carry the instruction to other women who may not be able to attend these schools, the Manitoba Department of Agriculture has just published a 32-page bulletin "Lessons in Millinery". The author is Miss Agnes Campbell, one of the instructors in millinery for the Extension Service. The bulletin contains 111 illustrations, and describes very carefully and clearly the various operations in connection with hat making. The value of this bulletin is not in any way dependent upon the present millinery styles being maintained — indeed the matter of styles is scarcely discussed at all — it is not a book of styles but a book of instructions as to how to perform the various fundamental millinery operations.

A free copy may be had on application to the Publications Branch, Manitoba Department of Agriculture, Winnipeg.

Since the beginning of the year Alberta government employment bureaus have placed over 20,000 men and women in positions. Last month, out of 6,141 applications from men and 1,796 from women, they were successful in placing 5,480 men and 1,635 women.

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