

LOAN HELPS UNITED STATES COMMERCE

Credit Accommodation is Part of Sound Business Policy— No Favor But Necessity for Neighboring Republic

The whole amount of this credit, \$500,000,000, will be used to pay for purchases of grain, cotton and provisions in the United States. No part of it whatever will be used for munitions of war. It is probable that such arrangements will be made as will largely insure the spending in each district of the money contributed in that district. In this way there cannot be the slightest disturbance in the domestic finances of the United States, said Mr. J. J. Hill, after his recent conferences with the Anglo-French Commission.

Men of differing sympathies in this war and differing financial ideas approve heartily of this loan, as they appreciate the reasons why we should make it. On its face, it is a grant of credit to Europe. In reality it is a new use, compelled by circumstances, of the cash and the credit of this country to avert disaster from the most important industries and to promote our own prosperity. Its greatest benefits are to come to the people of the United States.

Take the case of the United States wheat as an example. Reliable estimates of the wheat crop of the world and of the probable demand show that England will require about 240,000,000 bushels for next year, France 85,000,000 and Italy 75,000,000, a total of 400,000,000 bushels. The common assumption that they must come to us for this on our own terms betrays ignorance of the situation. The same estimates show that Canada will have a surplus for sale this season of 175,000,000 bushels, Argentina 130,000,000, Australia 60,000,000 and India 50,000,000, or a total of 415,000,000 bushels. Their demand could be satisfied without taking a bushel from us.

Part of Business Policy.

Exports are paid for on the basis of the pound sterling. With Canada, Australia and India, London exchange is at par. A pound will buy its face value of wheat. But when exchange went recently to \$4.50 for the pound, that meant a difference of over nine cents a bushel. If it should go to \$4, as it might if nothing is done to stabilize exchange, it would mean about 20 cents a bushel on wheat. Either the European buyer would have to pay that much more in the United States market by the depreciation of exchange, or the farmers would have to take that much less. Since Europe has opened the other sources of supply mentioned, it is not difficult to see that we should be left with the crop on our hands.

The United States requires about 550,000,000 bushels for home consumption and seed. That would leave a surplus of nearly 450,000,000 bushels. The total world's demands outside of England, France and Germany is not to exceed 150,000,000 bushels. If it was all bought here, the United States should still have to carry over 300,000,000 bushels. Add that amount to next year's surplus, and even if we cut the wheat production in two it would require two or three years to work off the surplus. Meantime, such a condition would mean ruin to the United States. The price of this unsaleable surplus would fix the price of the whole crop. Wheat would be sold below the cost of production and the farm interest be involved in a disaster from which it could not recover for many years. And precisely the same is true, in different degrees, of the cotton, meat products and provisions generally.

One who looks only at the plain facts will see that the grant of this credit for the purpose stated, is far less an accommodation to the countries that ask it than an act of necessity for the United States. It is part of the most familiar business policy.

Gladly Extends Credit.

When a merchant who has been buying for years for cash finds it necessary to ask for a line of credit, it is granted gladly. This done not as a personal favor, but as a matter of sound business policy. If it were not, mercantile business would pass through a perpetual crisis.

It is hard to understand the people who talk about "taking money out of the country." It is of the essence of the plan that the money shall stay in the United States. The goods will go out, the money will stay here and be used to pay for the goods in the localities where they were bought and where the money already is, and the only money that moves at all will come this way in the payment of interest and the eventual repayment of principal.

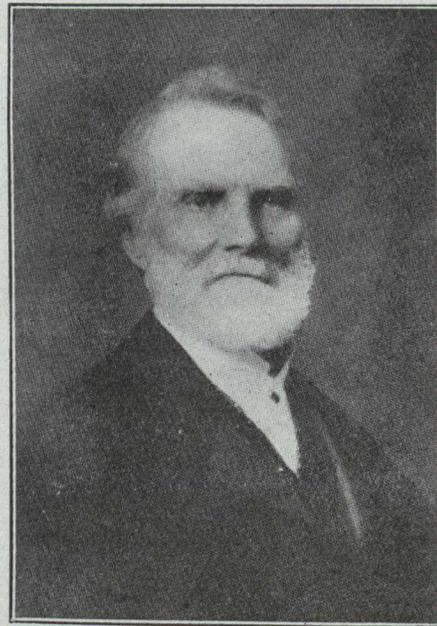
The loan cannot encroach upon the neutrality in either fact or feeling. Indeed, some of the great German financial houses in the United States are in favor of it, since they understand its terms and purpose. There are millions of persons of German stock on the farms of this country, and every one will share in the benefit of preserving and upholding the market for farm products that cannot be secured in any other way.

Only superficially is this credit for the advantage of other nations. Primarily and with much more force it applies to the maintenance of the commerce of the United States, to the support of its own industry, to the prevention of disaster to agriculture, to the assurance of prosperity in the United States. It is far less a favor to others than a necessity for ourselves. It means more to us just now than armies and navies or anything else. It is a measure of financial and industrial self-preservation.

SUN LIFE LOSES PRESIDENT

Mr. Robertson Macaulay, president of the Sun Life Assurance Company, well known as the dean of life assurance in Canada, died at his residence, 4010 Avenue Road, Westmount, on Monday.

The late Mr. Macaulay was born at Fraserburgh, Buchan, Scotland, January, 1833. He came to Canada in



THE LATE MR. R. MACAULAY.

1854. For sixteen years he was accountant to the Canada Life Assurance Company, and then secretary of the Mutual Life Assurance Company at Hamilton, Ont. He became secretary of the Sun Life Assurance Company in Montreal in 1874, manager in 1876, managing director in 1887, and president in 1889. He was succeeded as manager by his son, Mr. T. B. Macaulay, in 1906. When Mr. Macaulay became associated with the Sun Life Company it was in its fourth year and its agency staff comprised but four members, and its assets were \$130,000. Under his guidance the company had rapid development in the Dominion, where it now has assets totalling over \$70,000,000. Mr. Macaulay also reached outside of Canada for business, being the first Canadian life assurance man to do this, starting in 1879. In the foreign field he achieved splendid success, extending the operations of the company to many distant parts of the globe, and making it an important factor in the life assurance world. A writer recently said of Mr. Macaulay: "His career has been distinguished by earnestness of purpose, full realization of responsibility."

Mr. Albert Grigg, M.P.P. for Algoma, has been appointed deputy minister of mines of Ontario, succeeding the late Aubrey White.