

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663.
G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

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

ADVERTISING RATES UPON REQUEST.

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.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

FEDERAL RESERVE BOARD'S "WARNING"

American bankers were warned by the United States Federal Reserve Board this week to avoid locking up their funds by purchasing treasury bills of foreign governments involving long-term obligations. While specifically disclaiming "any intention of reflection upon the financial stability of any nation," the board advised all investors to proceed with caution and formally announced to member banks of the Federal Reserve System that with the liquid funds which should be available to American merchants, manufacturers and farmers in danger of being absorbed for other purposes, it "does not regard it in the interest of the country at this time that they invest in foreign treasury bills of this character." The statement is printed on another page of this issue.

The Federal Board's manifesto seems to be the result of several influences which have used the board, perhaps by the help of one or more of its members, as a medium for their fine arts. As possible factors there are the pacific characteristics of President Wilson, the sour grapes of William Jennings Bryan, and the Kaiser, the envy of bankers in the shadow but not in the sunshine of war finance, the intrigues of pro-German bankers, the desire to have the full pound of interest flesh, and the conspiracies of cultured diplomats. Some or all of these fires might make the federal reserve pot boil.

Such bids for peace are futile. They reflect a break-up of Germany; they reflect a lack of appreciation of the Allies' viewpoint, and for that matter of the viewpoint of the majority of real citizens of the United States.

One of the biggest bankers in that country replies to the Federal Reserve Board's "warning" in these words: "The financiers of Europe could not prevent the war. The financiers of America have no foolish idea that they can stop it."

The war is being fought because the Allies know there is in this world something of greater value than the almighty dollar. Such a thought is occasionally long in penetrating the thick skin of silver and gold.

BUSINESS AND THE STATE

The Dominion government has decided to place two public-owned steamers on a service between British Columbia and the Canadian Atlantic ports. During his recent visit to British Columbia, Hon. Dr. Reid, minister of customs, was strongly urged to have some arrangement effected whereby all-water communication between the eastern ports on the Atlantic and British Columbia ports on the Pacific might be had through the Panama Canal. It was found impossible owing to existing conditions to charter vessels for this service, but in view of the earnest wish of the British Columbia people to obtain a direct service from Canadian Atlantic maritime ports to British Columbia ports with British bottoms, an order-in-council was passed for construction, by the department of railways and canals, of two vessels in British Columbia, which vessels, when completed, will be placed on this service.

This should be an interesting experiment. While it will please particularly the people of British Columbia, it may prove to have a national, or international significance as a further illustration of the tendency of the times. Great Britain's shipping during the war has been largely under State control. This was deemed necessary to help win the war. When peace comes, how far will the State deem it desirable to operate shipping in order to knit closely the economic map of the British Empire, the Allies and their trading relations with the rest of the world?

Australia this year purchased a small fleet to carry its wheat bought by Great Britain. Australia sends part of its wool clip by slow sailing vessels so that the whole clip will not arrive in the British market at the same time. Thus the wool is stored, is on its way to market, while the slow boat acts as a desirable economic balancing factor.

We may find that to give a practical touch to the sentimental talk of allied and British Empire trade relations and to meet neutral and enemy competition, the State may have to become a more active partner with the nation's business interests.

THE BLACKLIST

On July 18th, 1916, the British government established what is known as a blacklist of firms in the United States with which citizens of the United Kingdom are forbidden to trade. A similar blacklist was established by Australia shortly afterwards. The Canadian government, after more than four months for consideration, has not yet followed the example of the Imperial and Australian governments. The blacklist of United States firms does not yet apply in Canada.

In other words, while it is illegal for citizens of the United Kingdom and of Australia to trade with these enemy firms, classed as such by the British government after careful investigation, it is legal for Canadians to trade with such enemy firms. Business has been done by Canadians with some of these firms.

Writing *The Monetary Times* in response to an inquiry, the following letter was received: "With regard to the sanctioning for Canada of a blacklist of enemy firms, I may inform you that the Government has not yet determined to put such a list into force."

This letter is from Ottawa,—from the department of justice.