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A Normal Year.

There are many signs that in Canada, 1913 will be less distinguished than the immediately preceding years for its financial records. It is becoming widely evident that the pace at which financial operations have been carried on for some time is slackening. Tight money has laid a hand on us; some people abroad who have hitherto been our zealous friends now profess that we have borrowed too much; our own imprudences in speculation, committed in haste and without a thought of consequences, are beginning to recoil; the banks are in an extended position; within the last twelve months, while a further enormous addition has been made to the superstructure of credit, its foundation of gold has actually been lessened.

These are in a general way the main reasons why it is not to be expected that things will be anything but comparatively quiet in Canadian finance in the immediate future. We say comparatively quiet advisedly, for it is indeed obvious that in many lines of the country's commerce and industry a year of considerable activity is assured. But it will be a normal activity and not the abnormal activity of the last two or three years. In the recognition of the fact of the normality of the slower pace of development lies the remedy against undue depression. The period of an abnormal activity, of an extraordinarily rapid pace of development, had lasted so long that to a certain extent it had come to be looked upon as normal. And the task which now lies before a good many people is that of a re-adjustment of their vision, so that they will recognise that what was in their view normal, was, in fact, abnormal. The new normal may seem slow to those who have been for a long time accustomed to something more rapid, but it seems in fact likely to represent a degree of progress, which might quite well be the envy of less favored people than ourselves. At all events, Canada is still going ahead. At this moment immigrants in thousands are pouring into our sea-ports; and capital, though naturally in less volume than a year or two ago, is coming to us in fair amounts from

more than one source. While these supplies keep up, there is no reason for getting into the dumps about the immediate future.

The reports which are now coming in with regard to the conditions of business in the various sections of the Dominion, particularly in the West, will be found a support to a spirit of sane optimism. It appears that in the West there has been a certain amount of business restriction owing in part to slow payments and in part to the scarcity of money. But there are now signs that corrective influences are at work. The frenzied speculation in real estate that has characterised parts of the West has ceased, to such an extent that many real estate agents are now seeking other occupations. The West is apparently learning to economise—dealers in luxuries find a falling off in the western demands. "What is dreaded, and what would work havoc in the East as well as in the West," says one authority, "is a sudden collapse of western real estate values. Speculation has received a check, but, though a few sales of farm lands are reported at slightly reduced prices, there has been no general decline in values. If a slump can be stalled off until business conditions show improvement and legitimate commercial expansion catches up to the fictitious values which speculation has given to real estate, probably serious disturbances will be avoided."

Good crops during the current year will be the best incentive to that legitimate commercial expansion. It is worth noting that the western witnesses before the Banking and Commerce Committee, in giving their evidence this week, seemed to place as much stress upon the necessity for the immediate provision of more elevator accommodation and the like facilities for the better movement of the crops, as upon the new banking facilities which, from their point of view, they advocated. The fact suggests that it may not be altogether unprofitable if circumstances force us to devote attention for a time to a policy of conservation. The following of such a policy at the present will enable us the better to take advantage of the next abnormal wave of expansion.