

Canada's Advances for Munitions \$385,000,000

Statement by Finance Minister of Amounts Advanced to Britain for Munitions and Supplies by Government and Banks

Sir Thomas White, finance minister, read the following statement of the chairman of the Imperial Munitions Board in the House at Ottawa last week:

"Ottawa, 21st August, 1917.

"Towards the close of 1916 the capacity for producing munitions in Great Britain had so increased that the minister of munitions advised that it was unnecessary to continue the production of munitions in the United States for British account, except for a few special lines. The production in Canada, however, was continued as before.

"The minister has now advised that it is unnecessary to continue production in Canada on the present scale. He has directed that certain lines shall be discontinued; that other lines shall be produced in lessened quantities; while some lines are to be continued as at present.

"The effect of this will be to stop the production of shells and components at some plants which are now producing sizes no longer required.

"In other plants, where shells are made of sizes of which a reduced output only is required, it will mean working during the day only, thus stopping night work. In other plants, however, where sustained production is required, operations will be continued night as well as day.

"These changes have been anticipated by several important firms, who have already resumed, or are planning to resume, their pre-war activities in their own lines, while others are engaged in the production or preparation for production, of equipment needed for ships now under construction or to be built during 1918."

Sir Thomas White stated that the Dominion Government had advanced to date to the Imperial Munitions Board, for the purchase of munitions in Canada, the sum of \$285,000,000. "There has also been advanced to the Imperial Munitions Board by the chartered banks of Canada in the same connection the sum of \$100,000,000. The Dominion Government, during many months past, has been advancing to the Imperial treasury, for the purchase of munitions in Canada, the sum of \$25,000,000 per month. During July, we advanced \$35,000,000; during August we are advancing \$35,000,000, and we have arranged to continue the advances of \$25,000,000 a month during September, October, November and December, so that the Dominion Government will continue to make the advances which we have been making in the past. During July and August we increased the amount of our advances by \$10,000,000 each month.

"The Government arranged in July, in addition to undertaking the programme mentioned, that is to say, of furnishing \$35,000,000 in July, \$35,000,000 in August and \$25,000,000 per month for the balance of the year, to furnish the sum of \$50,000,000 for the purchase of cheese, hay, oats and flour in Canada. The British Government can purchase on this side of the Atlantic only to the extent that they can raise money on this side of the Atlantic. In order to provide the farmers of Canada with an export market for their cheese, we arranged to provide \$40,000,000, which is the export value at the prices fixed of the cheese production of Canada, that \$40,000,000 to be paid out during July, August, September and October. In addition to that sum, \$10,000,000 was supplied for the purchase of hay, oats and flour. The House will thus get an idea of the magnitude of our financial transactions in connection with the purchase of these supplies in Canada.

"So far as concerns our expenditure in Great Britain and upon the continent, we borrow money from the Imperial Government. The reason for that is obvious. That expenditure has to be paid in sterling money or in the currency of France or Belgium. We, therefore, borrow

from Great Britain all money necessary for our expenditures in Great Britain and on the continent in respect of our overseas forces. As a set-off to that expenditure, the Imperial Government asks us here to furnish them with credit from which they may purchase munitions, cheese, hay, oats and other products. The Imperial Munitions Board was created by the Imperial Government. It takes its instructions from the Imperial Government and gives orders to Canadian manufacturers according to instructions which it receives from the Imperial Government. The Imperial Government asks us to place the Imperial Munitions Board in funds from month to month to the amount mentioned. So far as our transactions are concerned, therefore, they are with the Imperial Government which furnish us with money in Great Britain and on the continent, we supplying them with money here with which to pay for their commitments for munitions and other supplies."

ROYAL BANK'S MANAGING DIRECTOR VISITS BRITISH COLUMBIA

Mr. Edson L. Pease, managing director of the Royal Bank of Canada, Montreal, and president of the Canadian Bankers' Association, with a party of prominent eastern bankers and business men, composed of Mr. Clarence A. Bogert, general manager of the Dominion Bank, Toronto; Mr. B. J. Hughes, general manager of the Montreal Trust Company, Montreal; Mr. F. L. Patton, superintendent of Western Branches of the Dominion Bank, Winnipeg, and Mr. A. T. Reid, director of the Dominion Bank, arrived in Vancouver last Saturday. The party went to Victoria the same evening, returning to Vancouver Monday evening. They left for the east Tuesday.

In chatting with the editor, Mr. Pease remarked that it could not be possible that ten per cent. of the population of British Columbia had enlisted in view of the large number of young men he saw on the streets of Vancouver and Victoria. It was pointed out to him, however, that the general business improvement and the large developments going on in the province in addition to the thriving ship-building industry had brought a large number of young men from Eastern Canada and from across the line.

In regard to general financial conditions in Canada, Mr. Pease stated: "I believe that never has Canadian banking and general business been as active, sound and prosperous as it is today. It seems a pity to say so in this time of sorrow, and yet it is undoubtedly true. The prairie crops this year are turning out splendidly despite the drouth of midsummer. It really looks like another banner crop. It is estimated that the crop will realize \$500,000,000."

Mr. Pease was asked if Canada were not undertaking too heavy a burden in financing her war needs. "I cannot possibly think so," he stated. "The Government have made large internal loans, and the banks have made heavy advances to the Imperial Government and they have not impaired our financial ability or power. We can go a great deal further in our financial commitments before any evidence of drain or impairment will be seen. I believe that out of this war we will emerge stronger than ever and with a deeper consciousness of our financial power and ability to finance our own requirements than we ever had before."

Asked as to conditions in British Columbia, Mr. Pease stated that he came to see and to hear rather than to express opinions. "We have great faith in British Columbia," he said, "and its future. You have great natural resources and great strategic position and the opportunity for large industrial development. As to present conditions I cannot express an opinion. We believe you are on a sound basis and that your business is improving. Surface indications certainly give that impression. But I hope to know more of your general business and industrial conditions before I return east."