## CANADA'S CREDIT IN BRITAIN

Within the past few weeks several of the most prominent Canadian business men in the country have returned from Great Britain, all unanimous in regard to the soundness of Canada's credit in the Motherland. Were the men who returned less prominent in financial, industrial and transportation circles, one might be inclined to look upon their statements with some degree of doubt. Sometimes men return from London and give out statements about the condition of the money markets and the stability of Canada's credit, solely with a view of bolstering up the propositions they have sought to finance while abroad; in other words, they are disposed to "whistle to keep up their courage." This charge cannot be laid against such men as Sir Thomas Shaughnessy, President of the Canadian Pacific Railway Company, Sir William McKenzie, President of the Canadian Northern Railway Company; the Hon. Nathaniel Curry, President of the Canadian Car and Foundry Company; Mr. C. R. Hosmer, a director of the Canadian Pacific Railway Company, the Bank of Montreal, and a half score of other companies, and other men scarcely less prominent in financial and industrial circles. With one accord, these men spoke hopefully of Canada's position in the Motherland, both in regard to financial matters and from a sentimental or patriotic standpoint.

Sir Thomas Shaughnessy, who returned from England last week, declared that Canada's credit stood the highest of any in Great Britain. He pointed out that the loans made by the British people to Canada years ago, had resulted in a wonderful expansion in the Dominion, and had created wealth many times greater than the original money invested in the country. "This increase in wealth serves as security or as collateral to the British investor, and gives confidence at the present time when more or less uneasiness prevails in the money market. British investors are also beginning to realize that Canada has unlimited natural resources awaiting development, which will require immense sums of money. As this country is becoming better known in Great Britain, one notices a greater increase in confidence. I must say that I do not think Canada is borrowing too heavily in the British money markets. Some loans have been more or less of a failure, but that is largely due to their nature, or to the fact that the borrowers were not prepared to pay the higher rate of interest, which is now demanded by investors in the Mother Country. If Canada will pay the higher rate of interest and give the British investor ample security, she can get all the funds she requires."

Sir William McKenzie told a similar story. He pointed out that there was a disposition on the part of British investors to hold off, as there was a belief prevalent in the Mother Country that they would get securities at lower levels. Sir William pointed out, however, that this waiting could not go on much longer. "Great Britain has 400,000,000 pounds sterling to invest every year, and the people cannot wait indefinitely for investment conditions to be right in every respect." He emphasized the importance of Canadians scrutinizing issues before allowing them to be presented to the British investor. A few bad issues will do more to injure Canada's good name than anything else. "However, I must say that almost without exception the Britisher who has invested money in Canada, has received a satisfactory return on his money and has been given ample security. Our municipalities must accustom themselves to paying the higher rate of interest, which is now demanded in Great Britain. The whole world s seeking money in London, and the investor naturally wants the highest possible rate he can get, combined with the best security. As other countries are showing a willingness to pay more for the money they borrow, Canada must do likewise."

The Hon. N. Curry recited a like tale, but pointed out that in the case of his company that they were able to sell $900,000 of 7 per cent preferred stock at a premium. "It is not difficult for Canadians to secure money in England if they have the right security and are willing to pay the higher rate which now prevails." Senator Curry expressed the opinion that money would not ease up during the summer months, but on the other hand he expected to see tighter money in the Fall. "There is a tremendous demand for capital, and briefly put, there is not enough money to go round, and as a consequence money will be tight for some time."

Mr. Hosmer, who is in close touch with a large number of financial and industrial corporations, was also an optimist insofar as Canadian credit and Canadian borrowings in London were concerned. Mr. Hosmer believes that Canada and things Canadian stand higher in the estimate of the British investor than do the securities of any other country. He, however, emphasized the need of placing only legitimate loans in Great Britain.

Other men returning from Great Britain tell a similar story. Briefly summarized then, we conclude from the reports of these leaders in Canada's financial, industrial and transportation development, that Canada has little to fear in Great Britain, providing she is willing to pay the higher rate of interest which now prevails, and exercises a reasonable amount of care in regard to the offerings she makes. The Britisher wants a fair return on his money and the best possible security. If Canada will give these, she can secure all the money she requires.

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—U.S. foreign commerce for April show that exports for the month increased $20,500,859 over last year, and were the largest of any April on record. Imports decreased $38,903,098. Excess of exports over imports for the month is $55,632,281, which is the largest on record for the month.

—Bank exchanges last week at all leading cities of the United States amount to $2,781,023,906, a falling off of 6.7 per cent, as compared with the same week last year, but an expansion of 1.5 per cent as contrasted with the corresponding week in 1911.