

suffered by England and France in consequence of the ravages of war would ultimately be more than recovered during the years of peace by that extraordinary reinforcement of moral ascendancy which past history has shown plays so important a part even in contributing to monetary power. Those, however, are issues which are being mainly determined on the battlefield, and the practical consideration of the moment for men of business is to determine the best means in which the financial resources of the empire shall contribute to the satisfactory prosecution and termination of the war.

### Some Practical Considerations.

There is, firstly, the obvious duty of every citizen to place his resources freely at the disposal of the government in the matter of the various war loans which may be brought out. It is equally important that these huge loans should themselves be used with wisdom and economy by those who have the task of expending the money, and in this matter there can be no question that hitherto the brains of the country have not been anything like as adequately mobilized as they have in Germany.

The greatest problem of all is that which is involved in the question of the financing of the imports of the allies, because upon its satisfactory solution hangs the power of London to uphold its proud position as the monetary centre pending the time when with the termination of the war the country will revert to those normal conditions which will in themselves contribute to the restoration of her full power. Assuming that the war is of long duration, the great task of Great Britain is to see to it that both in credits and in gold sufficient sums are always and instantly available for settling its indebtedness to the chief exporting countries such as the United States and Argentina. So far as the former country is concerned, the position of the exchange on London is a sufficient indication to the banking expert of the immensity of the problem, while those who realize how enormous must be the purchases from that country during the coming months and how greatly the exports of Great Britain must be curtailed through the concentration of industrial activity upon the manufacture of munitions of war, are still more fully aware of the infinite skill which will be needed to bring the London money market triumphantly through the greatest ordeal which it has ever had to face.

Time has already been lost in the sense that money rates in Lombard Street ought to have been raised long ago, but the authorities seem now to be alive to the position, and there is reason to hope that a far view will be taken of the requirements of the situation. The British financial power is not to be measured by recent Bank of England statements showing a reverse of just under £39,500,000 and a low proportion of cash to liabilities. The latter point will shortly be improved through repayments by the government to the bank, while as regards

the gold in addition there is £28,500,000 earmarked for the currency note issue, while there is also the call of large amounts in gold both from France and Russia. And finally the store of gold held in Great Britain by the joint stock banks, to say nothing of what is in the pockets of the people, could, if it were mobilized, present a formidable war chest. Nor are Great Britain's resources confined to these reserve stores of gold, because of still greater importance perhaps is the immense volume of American securities still held there, which can be used as a basis of credit in New York, while the United States itself, which is in no need of gold, is willing enough on terms to place huge credits at the disposal of the British government.

It is to the extent to which these various resources are economically and skilfully used, and in no way frittered, that this great problem of financing the imports of Britain and her allies will be determined. The situation promises to be assisted on the one hand by dearer money in the London money market, and by greater economy and thrift on the part of the general community which should in its turn lead to a curtailment of Great Britain's imports.

It cannot be too clearly understood that while the great naval and military struggle is proceeding, there is also another battle taking place, and that in the world of finance and economics. Great Britain's ships have succeeded in sweeping the seas of German merchant vessels, and that country must be suffering sorely in the matter of its usual trade profits, and even as regards the importation of necessary materials for war. Germany is largely a self-supporting country, and this problem of financing imports is consequently of minor importance to her. This is most important to be borne in mind, because while in the sense of financing the entire direct cost of the war the combined financial resources of the allies are infinitely greater than those of the enemy, Britain's liability in connection with the imports of munitions and goods is also infinitely greater than anything which has to be met by Germany.

Economy and efficiency, therefore, must be the watchword in all matters pertaining to the empire's finance, not only until the last shot has been fired in the battle, but until the real period of recuperation has arrived. The mother country will have to respond to all absolutely necessary financial requirements of her oversea dominions by advances if necessary direct from the public purse, but all unnecessary financial outlays must cease, whether in Great Britain or in Canada or any part of Greater Britain. For many years Great Britain has been in the position of enjoying such extraordinary wealth as to ignore and even despise the idea of economy and thrift. But upon the prompt, patriotic and skilful exercise of those virtues may now depend the issues of the war itself.

### CANNING COMPANIES HAVE MADE AGREEMENT

*The Monetary Times* is informed by a director of the Dominion Canners, Limited, that a holding company in connection with the canning companies has now been formed, and will open offices in Toronto next week. Mr. John Wall, general manager of the British Canadian Canners Company, Hamilton, has been appointed general manager of the new holding company.

The holding company will act as a selling agent for the various companies who have agreed to participate. As previously intimated in *The Monetary Times* negotiations

have been in progress by representatives of the Dominion Canners, the British Canadian Canners, and several independent companies in connection with an agreement for the observance of certain conditions that will help, as one of the companies tells *The Monetary Times*, "to put the canning industry on a sounder basis than it is at the present time." Apparently there has been over-production in the industry and the consumption has decreased. Disputes have also arisen in the past as to what are fair prices to be paid by the canning companies to growers of fruits and vegetables. The companies are understood to have considerable stocks on hand. Canned goods have been sold at low figures during the past year or so. The arrangement now made will try to remedy these matters.