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## THE GENERAL FINANCIAL SITUATION

The retirement of Sir Robert Borden is an event of moment not only from the national point of view, but also from the possibly narrower viewpoint of commerce and finance. In these later years, Governmental activities of all kinds have come to touch commerce and finance much more closely than formerly, and a change in the prime ministry, which means inevitably a change in methods and to some extent in policy, is a matter of great importance to business. The present change, however, will be beneficial in one respect, in that it will remove the feeling of political uncertainty, which has been very much in evidence of late. Before these lines see the light, the name of Sir Robert's successor will probably be known, but it may perhaps be said here that it is the earnest hope of business men with no very strong party leanings either way, and they, after all, constitute the main body of the leaders in Canadian commerce and industry, that the new prime minister will be one well versed in business and economic affairs. Time was, and that not so very long ago, when a knowledge of the classic dead languages was regarded of more importance in the mental equipment of the prime minister of a great country than a thorough knowledge of economic principles and experience in practical affairs, and, to cite a different but specific case, great as have been the services of Mr. Lloyd George during the war and subsequently, they would have been immeasurably greater had he a rudimentary knowledge of economic principles and had he not a fatal tendency to pour out money like water, when the pouring is unnecessary. While the custody of the national finances, is primarily the care of the Minister of Finance, there are many questions of broad policy which come directly within the purview of the prime minister, that are very largely economic questions, and cannot be satisfactorily dealt with except in the light of economic knowledge, and in view of the exacting character of many of the

numerous problems, which will confront the new holder of this high office, knowledge in this connection will certainly be a very great advantage.

Stock Exchange happenings during the past week been somewhat diversified from former weeks, in which attention was almost wholly concentrated upon the paper issues, by a meteoric rise in the local brewery stocks. National Breweries has been tipped off "on the street" as a "dead cert" for weeks past, the motive of the tip being a prospective 50 per cent. increase in the dividend in the late summer or early fall. The company is without doubt doing a wonderful business, and it is very largely increasing its output in order to cope with the demand, which is not merely local, but it extends to thirsty countries abroad. Among securities less in the Stock Exchange limelight, the textile stocks have been exceptionally strong, particularly Penman's, which in the early part of the week touched 130. The fact that this stock is very tightly held by investors, is a strong supplementary lever to the Company's excellent earnings, in moving the stock steadily upwards in market quotations.

Call money for speculative purposes remains as tight as ever, and the number of Stock Exchange firms declining regretfully to allow customers to increase their debts appears to be increasing. The recent boom in paper stocks believed to have been financed from American sources though funds have been by no means generally distributed, and a certain amount of private money has been available, though at exceedingly high rates. For the general body of speculators, however, money is unavailable and there no signs of any easing of the situation in this connection.

A business of very fair proportions appear to be transacted by the special committees who have charge of the trading in Victory Bonds, a turnover averaging \$25,000,000 monthly being reported. Offerings of the bonds at present prices, it is stated, are easily being taken care of. Sir Henry Drayton intimated in his Budget speech that during the current financial year, the Government will be buying in some of the bonds, but these purchases have not yet apparently been begun. Presumably when the