

PROBLEMS OF THE PRESENT AND THE FUTURE.

During periods of reaction and depression the people of Canada have always shown themselves wonderfully adaptable to the hardships that economic changes have thrown upon them. None have more quickly dispensed with the luxuries and contented themselves with the necessities, and become harder working, thrifty and saving—once the position was clear to them and the sacrifices it called for. And if the wage-earners will only now recognise how artificial, transitory and unstable is the prosperity that has come to them in so far as it arises from business, whether domestic or for export, dependent for its stability on the continuance of a state of War and its demands, if they will jealously save these unusual wages and precarious profits, enforce upon themselves the utmost economy in home consumption of exportable commodities, continue to reduce the imports of all but the necessary raw materials for the industries, and redouble their energy in the production of what are necessities for the plain support of themselves and of everything that Allies and Neutrals will take and pay for—in short, if they will realise that while the prosperity of the last six or seven months is certain to be evanescent, the burdens the Country is assuming are very real and lasting and for her, very heavy—then, with average crops and fair prices, Canada should come safely through the anxious times of War and find herself on a solid economic and financial foundation to deal with the problems and difficulties that will present themselves on the suspension of hostilities. When that time comes Canada will have her own special problems in the repatriation of all her brave men that come back to her from the Trenches, and in the new allocation of them to such industry and employment as may be suited to their powers and tastes, as well as in the absorption and distribution of the stream of new immigration that may be looked for; and concurrently with the demands of this labour for employment will be the exhaustion of the stimulus of the present War demand for it, and the growth of an enormous and world-wide demand for capital that will enhance its value and make a sufficiency of it for creating new employment difficult to obtain. So we must be prepared for another period of painful readjustment and reconstruction, a fresh dislocation of commerce and trade, a shifting of the world's centres of production, and many alterations in the relative importance and values of the various industries, until a new centre of gravity for the whole industrial world has been found upon which the world's trade can rest again in a condition of stable equilibrium.

—Mr. J. H. Mayne Campbell, Chairman, Bank of B.N.A.

The Mutual Life of Canada now reports 40 members of its staff in the Canadian army, their rank ranging from lieutenant-colonel (two) down to private.

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And now the life companies are beginning to get curious as to what is happening down in South Carolina, owing to the fact that they have \$4½ millions mortgage loans there, on which fire insurance policies are held as collateral—one-third expiring during 1916. Indications are that the "sovereign State" intends to climb down on its anti-fire company legislation.

DOMINION FINANCES.

(Continued from front page.)

aggregate we were getting tangible value for our money. The additions to the net debt caused by the war are, however, so much additional "dead-weight." Economically speaking, there will be no returns for this capital expenditure—only the intangible, if invaluable asset of our freedom, to set off against this mortgage upon future accumulations of wealth. As a result of the war, the debt of the Dominion has already been increased from about \$42 to practically \$70 a head. If the war is prolonged, it is possible that by the end of it, this average will have been raised to not far short of \$100. Even at that figure, we shall still be in an infinitely better position than Great Britain, whose existing debt *per capita* is about three times the present Canadian figure. But if Canada's burden is lighter, the capacity to bear the burden is not so great. In one other respect, the debt of Canada now, and to a greater extent at the end of the war, will differ from the pre-existing debt, in that a fair proportion of it, say one-fifth to one-quarter, will be due to our own people. The payment of interest and gradual repayment of principal will be to some extent by services rendered in the Dominion rather than by our exports. So far as it is possible to do so without restriction of the funds available for trade, commerce and industry, it is certainly desirable that as large a proportion as possible of the funds for our war expenditures should be supplied by our own people, and, in any case, that serious heed should be given to the increasing obligations which are being incurred by the Dominion.

THE BANKS' MUNITIONS CREDIT.

It is stated in Toronto that in connection with the recently-arranged credit of \$76 millions granted by the Banks to the Imperial Munitions Board that an amount of \$50 millions was placed at the disposal of the Board on April 1st. Further sums of \$13 millions will be placed at the Board's credit on May 1st and June 1st respectively. The Board is stated to be drawing upon these funds at the present time to the extent of about five millions weekly, and with a probable increase in the disbursements, it is anticipated that the credit will be exhausted in July. The bulk of the credit comes back, of course, to the banks in the form of new deposits.

In this connection should be read the statement by the Canadian Bank of Commerce that "the Imperial Munitions Board has received additional orders amounting to over \$30,000,000 and the volume of orders obtainable appears likely to be maintained."

The effect of this arrangement and of the new Dominion loan in New York will be, of course, largely to increase the totals of the Banks' assets and liabilities. They will serve to show how the enormous increase in bank resources which has been so notable a feature of the war period in several countries is brought about.