The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869; the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF COMMERCE, Toronto.

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The Monetary Times

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CONTENTS OF THIS ISSUE.

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BANKERS TALK OF THE TIMES.

The addresses of our financial experts are awaited with interest from year to year. The presidents, vice-presidents and general managers of our various banking institutions exercise great pains in presenting to their shareholders and to the public a thorough review of the preceding twelve months' economic conditions. Their remarks as to future prospects are also well digested and analyzed.

Sir George Drummond, president of the Bank of Montreal, at the annual meeting of that institution this week, took his hearers back to recent days when the United States was, as he termed it, staggering under a sudden collapse of credit and acute money stringency. At that time the slowing-down process in Canada had begun. During the year, the volume of trade has been considerably diminished. Measured by the value of imports, the shrinkage in Canada within a year has been approximately twenty per cent. The value of domestic exports in the same period—for the twelve months ended October 1st, 1907 and 1908 respectively—has been well maintained, a slight gain being shown. An interesting fact cited by Sir George was that the daily business of the country as gauged by bank note circulation at no time exhibited a shrinkage exceeding five per cent. The gap between exports and imports may be contracted with advantage. The contraction in imports is cited as a healthy condition.

Much has been said during the year regarding the loaning policy of Canadian banks. That credit has been curtailed is a fact. It could not have been, wisely, cheaper than it was during the wild speculative period. Too easy it was to obtain money for speculative purposes. The banks rightly decided to check this freedom. Had it not been stopped then, the imagination only can picture the disastrous results which would have doubtless come to our national credit and prosperity. Sir George Drummond quoted figures showing the extent of the check. Commercial loans, he said, have been reduced by the banks by sixty million dollars, or upwards of ten per cent. Measured by note circulation, there was a contraction of less than five per cent. in the volume of domestic trade.

The crops naturally have come in for much attention in bankers' addresses recently. The money value of the grain crops of the Western Provinces to the farmers, Sir George estimates will be approximately one hundred and twenty-five million dollars. And this huge sum was earned, as he aptly put it, by a territory practically deserted up to a comparatively recent date. An exceptionally large percentage of fall ploughing has been done, with the result that next season we may look for considerably increased acreage.

After reviewing individually the trend of various trades and industries, the president referred to railway building. This is closely akin to the subject of increased crop acreage. The present, he said, holds out the prospect of being emphatically the era of railway construction. The Grand Trunk Pacific construction between Prince Rupert and Moncton will occupy considerable time. At the end of June, the Canadian Pacific Railway had over seven hundred miles under construction in different sections of the country. The Canadian Northern have been actively engaged in increasing their mileage in the West and Quebec. Sir George Drummond did not prophesy. It would, we believe, be safe to assert that the next five years will witness remarkable expansion of railroad facilities. Then, not only will avowedly contemplated construction be completed and in operation, but considerable additions probably will then be under way.

Of the future, the president of one of our most conservative Canadian banks was comparatively optimistic. To-day, he said, the situation is much improved, confidence has been largely restored, credit is again good,