

world's markets. Those who hold that view surely cannot appreciate how deeply into the life and flesh of the Allies the great war has gone. Here is what a leading New York banker (who is writing for *The Monetary Times Annual*) says: "These nations, impoverished by war, will not sit down to a period of economy and save and pay their debts; they will press their advantage in world's commerce and trade and make money with which to carry and pay the enormous indebtedness under which they must struggle."

BUILDING SHIPS

Canada is building ships for Norway. This is done with the permission of the Imperial government. The London Times says that the construction of large ships at present in Canadian yards for neutral owners "certainly seems remarkable" but not more so than the fact that vessels should now be allowed to be built in the United Kingdom for neutral firms.

Since the beginning of war, 1,820 merchant marine vessels with gross tonnage of 3,328,584 have been sunk. It will probably take ten years to replace the tonnage lost in war time. A great part of it is British. Canada's enterprise in building ships is laudable, but these ships should be constructed for British, not foreign, owners. The British Empire needs new tonnage now; it will need more after the war. Cannot the Empire's governments and the shipping interests agree to build at present only for the family?

"TIMES ARE GOOD"

"Many of our great industries have converted big floating debts, a cause of anxiety, into cash surpluses. As a natural outcome, our stock markets are booming. Not only is unemployment unknown, but unskilled labor commands wages two and a half times greater than the pay of our volunteer citizen soldiers, who so splendidly risk their lives for their country, while men engaged in 'factory piece work' can earn as much as a college professor. It is, therefore, not surprising that the un-analytical minded, or those preoccupied with their own affairs, or those who have not contributed in flesh and blood to the cause, should complacently say, 'times are good.'"

WHAT IS ADVERTISING?

An interesting study of the psychology of advertising for the advertising man and for the student, containing, in addition to the theoretical material, much experimental data, has just been published.

In the development of the work the basic principles of psychology which are related to advertising and their application; the complexity of an advertisement is reduced to its elements to show with mathematical exactness the effect of the various elements, the results of laboratory experiments are compared with results of actual advertising campaigns, showing the strikingly close relationship between the business and the theoretical test.

The author analyses action, showing why advertisements lack in effectiveness, and indicates devices which will improve pulling power.

"Advertising and its Mental Laws." By Henry Foster Adams, Ph.D. Price \$1.50. Published by Macmillan Company of Canada, St. Martin's House, Toronto.

Sir Frederick Williams-Taylor, a banker whose admirable combination of courage and caution give the greatest weight to his utterances, in these words, causes further thought for the future. A few years ago, we were on the high tide of prosperity. It was the result of a lengthy period of development, borrowed money, and the accompanying speculation. Just as the reaction had set in the war commenced. Being on this side of the Atlantic, our geographical good luck and fortune in natural resources, gave a taste of the prosperity of war. That is the foundation of the so-called good times in Canada to-day. They are passing. Serious problems will confront us after the war. Who are planning and acting to meet these problems, so that the adverse factors may be mitigated? The federal government must not hesitate to ask the nation's business men to help them handle the nation's two big jobs—the war and the period to follow.

THE BANK'S ADVICE

A visitor came to Canada in 1912. He made various investments, called at Victoria with a social introduction from Sir Edward Clouston, and while there made enquiry of the manager of the Bank of Montreal regarding an investment of approximately \$125,000. He came into touch with a lumber company, who had a substantial contract with the city of Victoria, but who were having difficulty in financing it. The visitor decided to lend the lumber company \$125,000, upon which he was to receive 8 per cent. interest and 12½ per cent. of the profits that might arise from the contract, taking as security a second mortgage on their properties.

The lumber company were unable to carry out their undertaking and as a result the visitor took action against the Bank of Montreal, claiming damages for alleged negligence and breach of duty.

The case has been in three courts, the final result being unanimous judgment in favor of the Bank of Montreal. This is a gratifying decision. Canada's bank managers are well-trained, responsible men whose word is of great value to investors. Were a court decision, however, to fix such serious responsibility upon our bank managers, for information given by them without prejudice and with the best of intentions, one of the most reliable sources of information would be denied to all those interested in Canadian investments.

EMPLOY A SOLDIER

In "A Call to Employers" Sir Edmund Walker, president of the Canadian Bank of Commerce, says:—

"I presume much of the work to be done by the Military Hospitals Commission leads directly to the larger work of land and industrial settlement. For obvious reasons we shall hope that many of the returned soldiers will take up land. The manner of selecting such land so that communities of loyal men shall be planted in every province, of caring for the soldier-farmer in his early years of settlement, and of lending him money for improvements, is of prime importance. . . . To-day, every employer of labor, manufacturer, merchant, banker, or whatever his calling, should be considering how he can employ a few partly disabled men, and thus do something more in carrying the burdens of the war."

The Wine and Spirit Vaults, Limited, with Quebec charter, have increased their capital stock from \$10,000 to \$45,000.