

A Bank's Centenary

CANADA is often spoken of as a young country. Occasionally we are reminded that it is really not young. Such a reminder comes to us now when the fact has to be recorded that we have in our midst a banking institution which has flourished for a hundred years. On the 3rd of November, 1817, the Bank of Montreal began business in this city. For the full period of a century the institution has carried on its widening operations and played a great part in the financial affairs of the country. Many other banks have come into the field, some of them reaching high rank in the volume of their business, yet at the end of the century the old institution still stands at the head of the list. In every section of the Dominion, in Great Britain, and in such foreign countries as afford facilities for the operations of a Canadian institution, the Bank of Montreal is found occupying a strong and useful position. The story of its growth is the story of the development of Canada. Its officials and its shareholders have a justifiable pride in celebrating the centenary of an institution which has exercised such a wide influence on the business life of the country, and which is so flourishing in its old age.

The Oleo Order

UNEASY lies the head that wears the hat of the Food Controller. While oleomargarine was excluded from use he shared with Government and Parliament the criticism coming from those who desired the removal of the ban. Now that the privilege of using the article is granted he is getting hard words from the other side of the question. The fear of offending the dairying interest was, of course, the reason why neither Government nor Parliament made any move to abolish the prohibition. The publication of the Food Controller's order allowing the use of oleomargarine has brought sharp criticism to him and to the Government from journals published in dairying centres. If the journal happens to be, on general principles, unfriendly to the Government, the censure is the more readily applied.

Regrettable as these criticisms are they are not surprising. The best of us will look at public questions from his own standpoint, possibly a local one, and may easily have a bias that disturbs the balance of judgment. The rural community, feeling perhaps that in one way or another it is bearing its full share of burdens, wants to hold fast to any advantage, real or supposed, that it possesses.

The abolition of the ban on oleomargarine may do considerable good and certainly can do no harm. If it should lead to a reduction in the price of butter surely nobody should complain. When good butter is selling at 50 cents per pound nobody who desires some reduction should be held guilty of treason to the farming interest. But there is little if any prospect of relief coming to the consumer in that way. The demand for butter at home and abroad is much greater than the supply. High prices will continue for some time yet. When the general readjustment of the prices of commodities comes, as one day it will, butter will fall to normal prices, and there will then be but little demand for oleomargarine. All that can be claimed at present for the Food Controller's order is that people who at present have to deny themselves the use of butter will be permitted to obtain a cheaper article which will to some extent serve as a substitute. That is a result that should be welcomed by all, even by the dairying interest, which will really suffer no injury.

Britain's War Finances

MR. LLOYD GEORGE, in the first days of the war, said that in the end the silver bullet would win the war—that is, that the country with the longest purse would ultimately prevail. England's strong financial position has throughout the great conflict been very evident, and now that to her wealth and that of the earlier Allies there is added the enormous wealth of the United States there can hardly be a doubt as to the side of the war on which the largest purse is to be found.

The manner in which Great Britain has been able to raise vast sums for the war service, without seriously disturbing the channels of business, is one of the remarkable things of the time. The capable financial advisers of the British Government have devised various forms of borrowing which have appealed to all classes. Rich and poor alike have found opportunities of assisting, to the extent of their means, in providing the money for the good cause. Short term notes, known as Treasury Bills, have played a large part in the scheme of finance. These are taken by the banks and held for a few months, when they are converted into bonds of long term. There is a strong desire among thoughtful people in the Mother Country that a considerable part of the immense cost of the war shall be met in early years, rather than that too great a burden shall be imposed on posterity. To meet this commendable wish the Government are now offering some new forms of securities. The investor is offered his choice of bonds bearing five per cent, subject to all taxes that may be deemed necessary, or others bearing four per cent, free of the normal income tax and subject only to what is called the super tax. The five per cent bonds can be had for the short term of five years, redeemable at 102, or for seven years, redeemable at 103, or for ten years redeemable at 105, or the four per cent bonds will be issued for ten years, redeemable at par. These securities are to be obtained by the investor by mail from the Treasury in London or from any one of a long list of banks. There is no special time of issue. The bonds are to be, as it were, goods in stock, ready to be delivered to every buyer who comes along. It is believed that by this method there will be created a steady flow of money into the British Treasury which will, to a considerable extent, avoid the necessity of large long term issues, such as hitherto have been the chief features of British finance.

Price Fixing

PRICE fixing is not an easy matter to work out satisfactorily, as has been found in the United States. In the case of copper, an article of prime necessity in the manufacture of munitions, the American Government, after much careful inquiry, fixed a price of 23½ cents per pound for the purchase of such supplies as were required for the use of the Governments of the United States and the Allies. It will be observed that the price was not fixed for the public generally, but only for the service of the Governments. "This we are willing to pay; you can take it or leave it," was in effect what the American authorities said for themselves and the Allies. If the copper producers refused to sell at the price named the Government took power to take possession of the mines. The producers, not without some grumbling, for copper had been selling at much higher figures, decided

to accept the price offered, which undoubtedly yields a good profit to the most successful mines, though it may be no more than cost to some of the concerns occupying less favored positions. But while the American and Allied Governments are thus able to supply their needs at a moderate price the other consumers in the United States are not so well off. The price fixed is not high enough to stimulate all the operators to greater production. The larger concerns have little copper to sell to the ordinary consumer, the Government orders taking all that is available. As a result of this situation the ordinary buyer who wishes to obtain a quick supply is obliged to pay as high as 27 cents. The ordinary American consumer does not take kindly to the idea of paying that price while the mines are supplying copper to foreign Governments at 23½ cents, but there is no help for it.

Germans and Germans

PRESIDENT WILSON, in one of his despatches, drew a line between the German Government and the German people. Mr. Asquith also thought the line necessary. Just how far the mass of the German people are in sympathy with the German war policy is a much debated question. It is held by many writers, with much reason, that the policy of the Government must be in harmony with the wishes of the people since there is so little manifestation of disapproval, even from the Socialist bodies. On the other hand, it must not be forgotten that the militarism of Germany tends to repress the freedom of speech which is encouraged in some other countries, and that, even where there is emphatic dislike of the war, men hesitate to give expression to their views. An interesting contribution to the subject is made by Mr. Francis Gribble, a well known writer, in the London Sunday Pictorial. Mr. Gribble, who was in Germany when the war broke out, was arrested and interned as a prisoner of war at Ruhleben. He points out the necessity of avoiding the general condemnation of all things German which leads many British people to hold that the only good German is the dead German. The camp commandant at Ruhleben was directed to prohibit smoking in the camp, whereupon he announced that he would resign his post if the order were not rescinded, and rescinded it was. A non-commissioned German officer spent seventy-two hours in the cells for showing too much consideration to the prisoners, and celebrated his release by bringing them a supply of confectionery. "These men," says Mr. Gribble, "could not be thought of as tarred with the same brush as, for example, the infamous Major Bach, who had perpetrated those acts of cruelty at Sennelager for which, if he survives, he must eventually stand in the dock." While the Prussians are not likable as a class he thinks the lower classes of them are not as bad as the Junkers. In the years preceding the war the German people had been taught to regard Britain with jealousy and this fact led the people to be more willing than they otherwise might have been to sympathize with the war policy. Then, in the case of Russia, the Germans were easily persuaded that that nation was determined to crush Germany. In summing up the situation Mr. Gribble thinks there is "the nucleus of such a German people as Mr. Wilson and Mr. Asquith are willing to parley with when reparation has been made and the criminals have been awarded their deserts; but the hanging of these criminals is the first chief thing needful."