

GREAT BRITAIN'S TRADE BALANCE

Its Rectification a Matter of Time Only—Higher Bank Rate Likely

Sir George Paish is optimistic as to England's ability to liquidate promptly its adverse trade balance. He says in the Statist: "Now that the Government loan is out of the way, attention is being concentrated on the American exchange, the rate for sight drafts having now fallen to 4.76½. Although the question of our trade balance with the States is a matter requiring very careful consideration, we would point out that its rectification is now only a matter of time. We would specially call attention to the statement of the Prime Minister to the deputation of bankers and merchants, and we would likewise draw attention to his outline of the policy which the Government proposes to pursue, not merely for the purpose of balancing the budget, but in order to rectify the foreign exchanges.

Economies to be Effected.

"We have no doubt whatever that if the Government's policy is carried out, very great economies will be effected in the national expenditure, and that as a result of these our imports will show great decline, while our exports will expand, and that the whole situation will be adjusted in a normal and proper way, by keeping the nation's expenditures within its income and its purchases within its power to pay for them. We anticipate, indeed, that any difficulty that may be experienced in settling the trade balance may be quite temporary.

"A few weeks ago we drew the attention of the American public to the steps that would have to be taken on this side if any difficulty was experienced in paying for the goods we were purchasing by means of goods and securities. We pointed out that no country can purchase more than its income permits it to buy, unless it is able to borrow. The condition of the American exchange is bringing home to everyone the supreme importance of economy, and the campaign that is now being conducted throughout the country for the purpose of inducing the people to become more economical, plus any measures the Government may find it necessary to take in order to balance the budget, cannot fail to have the effect of so curtailing consumption that the adverse trade balance will be automatically adjusted.

To Reduce Consumption.

"In proportion as it is not possible for us or for our allies to pay for purchases from the United States in securities or in goods, in that proportion will the British people introduce economy. It will be recognized that the power of economy in this country is very great, and that little or no difficulty should be experienced in reducing the consumption of the nation to an extent sufficient to adjust the trade balance and to rectify the exchanges.

"Of course, until the policy sketched out by the Prime Minister is initiated, the exchanges will remain adverse. Hence it is essential that rates for money should be maintained at a level that will attract to this market all the money that can be attracted from other countries by a profitable rate of interest. And it is conceivable that, in order to protect our gold reserves from undue depletion, a bank rate higher than 5 per cent. may for a time become necessary."

CANADA'S MONTHLY BALANCE SHEET

Canada's financial statement for July shows the following revenue comparisons with the same month last year:—

	1914.	1915.
Customs	\$ 6,807,058	\$ 7,240,321
Excise	1,653,050	1,734,472
Post-office	825,000	1,200,000
Public works	1,678,298	1,152,374
Miscellaneous	1,558,215	1,327,917
Totals	\$12,521,621	\$12,655,084
Increase, \$133,463.		

The gross debt of the Dominion is \$734,656,544, of which \$62,703,312 is payable in London. Temporary loans amount to \$100,673,684, an increase of \$92,000,000. Dominion notes outstanding increased by \$16,000,000 to \$152,043,872. The total net debt is \$463,745,092, an increase of about \$13,000,000.

INDUSTRIAL BOND OFFERING

A block of \$100,000 6 per cent. closed first mortgage 20-year sinking fund gold bonds of Sheldons, Limited, is being offered by the Canada Securities Corporation, Limited, Toronto. The bonds are sold at 100 and interest and yield, 6 per cent. Sheldons, Limited, own an iron foundry at Galt, Ont., and operate a complete machine shop. This company makes the Sheldons, Limited, heating and ventilating systems which have been installed in a large number of important buildings. In peace times, the earnings have been satisfactory, as the company caters to practically every manufacturing industry. The net earnings for the past four years have averaged \$40,975. The company is at present engaged in filling orders for war munitions.

The company's authorized capital stock is \$600,000, of which \$300,000 is issued. The authorized bonds are \$200,000, all of which are being issued. The fixed and current assets are valued at \$640,000.

LOOKING AHEAD

On midsummer days, true to newspaper tradition, preparations are in hand for *The Monetary Times Annual*, to be published in January. Issued during the first week of the year, work was begun several months ago, in the compilation of statistics for the *Annual* to be published 12 months hence. Interesting reminders of its progress come with regularity. A few weeks ago, for instance, a contributor to other *Annals* submitted an outline of his proposed article for the *Annual* which will appear in January, 1916. This week arrived a copy of *The Natal Witness*, published in Pietermaritzburg, South Africa, reviewing last January's *Monetary Times Annual*, which, says our contemporary, "so ably represents the commercial and financial opinion of Canada."

There have been surprising changes this year in finance, trade, commerce and economics and Canada has shared fully in these changes. Their record, in facts, figures and diagrams, to appear in *The Monetary Times Annual* next January, will be the most complete of its kind.

THIS HOTEL WAS MADE IN CANADA

(Staff Correspondence.)

Vancouver, August 9th.

There is nowhere a better example of the made-in-Canada product than the new Hotel Vancouver. It is a magnificent structure, erected on the site of the first Hotel Vancouver, which was built almost 30 years ago, the first concrete testimony to the faith in a Greater Vancouver. At that time the location of the original hotel built by the railway company, which had established a line across the Dominion, was thought to be remote from the downtown district of the new city by the western sea. Time has justified the judgment of the officials of the company at that date. In the later nineties a wing was added on Granville Street, then about ten years ago another wing was completed on Howe Street. It was only intended then that the building should be allowed to exist until plans had been completed for the new hotel, now partly occupied, and all nearing completion. The great pile is a substantial indication of the faith in a city and in a province, of a company, the officials of which have seldom erred in their judgment. It is only one of a vast number of works carried out in recent years in British Columbia.

The aim of the Canadian Pacific Railway throughout has been to utilize materials to be obtained in Canada. The work was carried out by local and Canadian contractors. British Columbia fir and cedar is used altogether in the interior wood finishing of the upper stories, oak and mahogany in the lower. British Columbia granite is utilized in construction. British Columbia face brick are used for the exterior. No greater commendation could be tendered to the brick product, manufactured at Clayburn, a short distance from Vancouver, than that of the architect who said that it was the equal of the best Scotch brick, which is taken as a world's standard. While the fancy marbles were brought from Belgium and Italy, they were worked in Vancouver. All the ornamental iron work, elevators, etc., were supplied by Canadian manufacturers in Toronto and Ottawa. Few better examples could be shown than that of this railway in producing such a building out of home-grown and home-made material.