The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.
F. WILSON-SMITH, *Proprietor and Managing Editor.*
Office:
406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.
Annual Subscription, $3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, NOVEMBER 1, 1918

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page).

to increase substantially their paid-up capital accounts, in order to bring those accounts into line with the banks' remarkable expansion in other directions during recent years, and also to take care of the exporting needs of Canadian trade and commerce in the post-bellum period.

Meantime, the movement towards the formation of a Canadian Trade Corporation, which at one time seemed to be receiving a good deal of influential support, does not appear to be making much progress towards maturity. The probabilities are that the Government is so beset with more immediate problems arising out of day-to-day developments that matters of this kind have perforce to be left in abeyance for the time being. The purpose of the Trade Bank, as exemplified in the case of the British Trade Corporation, which was got under way some months ago, is to look after a class of business which the present banks cannot accept, owing to their obligations to safeguard their customers' right to withdraw deposits at any time and their consequent duty to maintain themselves in a strictly liquid position. The purpose of the Trade Bank is not merely to look after industries through the formative stage (this including, if need be, the sinking of capital in research and similar directions which are entirely outside the domain of the ordinary bank and can only be pursued by a very limited class of capitalists), but also the development of trade abroad for Canadian manufacturers already established. In the field of foreign trade, of course, a field in which both the United States and Great Britain are displaying a good deal of preparatory activity at the present time, credit facilities are only a small part of the problems involved. Probably the significance has not yet been fully appreciated by the Canadian business community of the facts that the Canadian Bank of Commerce some time ago became a large shareholder in a new institution established by British and Italian bankers to further British and Italian trade (and, incidentally, to take the place of German-controlled banks in Italy), and that another Canadian bank has lately become a stock-holder in the American Banking Corporation, formed for the development of trade abroad.

Canada's after-the-war trade problems are, however, by no means merely those of credit facilities. As Senator Nicholls has lately pointed out, a volume of foreign trade that will to some extent compensate for the cessation in the production of munitions and other war commodities, can only be secured if land and sea facilities of transportation are such that Canadian traders can readily compete with those of other countries. Senator Nicholls, in this connection, draws attention to the Hon. C. C. Ballantyne's policy of aiding, encouraging and stimulating the building of shipyards and the construction of ships and expresses the hope that this policy "will be extended to the construction of an adequate fleet of state-owned cargo ships that will, in co-operation with our state-owned railways enable us to take advantage of our geographical position, and leave us independent of foreign vessel owners, who will naturally give their best service to their own people." Doubtless, one result of present Canadan activity in shipbuilding will be the appearance at no distant date of Canadian-owned lines of ocean-going steamers to carry Canadian products, both agricultural and industrial.

MESSAGE OF SIR THOS. WHITE TO THE PEOPLE OF CANADA

Victory Loan 1918

We are offering to the people of Canada the Second Victory Loan. Its success is of the most vital importance to our continued prosecution of the war and the maintenance of prosperity among all classes of the Canadian people.

For what purpose is the money raised by this Loan to be devoted?

Firstly, for the noblest purpose to which money can be applied, namely, for the equipment, support and maintenance of Canada's Forces at the Front. They are fighting to-day for you and for me. They must be kept supplied with food, clothing and ammunition, which can only be made available by the Canadian people furnishing the necessary money. The way for you to help is by the purchase of Victory Bonds.

For what further purpose is money required? To furnish the credits with which Great Britain purchases, in Canada, supplies for her civil population at home and her armies in the field.

What does this purchasing mean for Canada? It means that the farmer finds a market which he otherwise would not have for his wheat, cheese, live stock and other products. It means that the exportable surplus of our fisheries will be purchased. It means that Canada's ship-building yards will be operated to their utmost capacity. It means that our great munition and steel plants, with their tens of thousands of work-people, will be kept engaged day and night. It means, in a word, our continued prosperity in which all parts of the community—farmers, artisans, manufacturers, merchants (wholesale and retail), and all other classes will share.

The proceeds of last year's Victory Loan caused an immense distribution of money in Canada. Without that Loan our agriculture must have languished and hundreds of our workshops would now be closed.

The money raised by our Victory Loan will all be spent in Canada and will inure to the benefit of all classes of our population. We are asking you, not to GIVE, but to LEND your money. By subscribing to this Loan you are helping Canada and benefitting yourselves also.

I earnestly appeal to all to do their full duty. We are Canadians. We are engaged in the greatest war of all time. It is the national purpose and determination to "carry on." We shall NEVER let up until Victory is ours, and the world is safe for liberty and civilization.