

Canada Permanent Mortgage Corporation

TORONTO STREET, TORONTO.

Established 1855.

President—W. G. Gooderham.
 First Vice-President—W. D. Matthews.
 Second Vice-President—G. W. Monk.
 Joint General Managers—R. S. Hudson, John Massey.
 Superintendent of Branches and Secretary—George H. Smith.

Paid-up Capital \$6,000,000.00
 Reserve Fund (earned) 4,500,000.00
 Investments 32,496,750.55

Debentures

For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a

Legal Investment for Trust Funds

We own and offer a wide range of Canadian City Bonds to Yield 5% to 6%.

Particulars Upon Request

DOMINION SECURITIES CORPORATION-LIMITED

ESTABLISHED 1901
 HEAD OFFICE: 26 KING ST. EAST, TORONTO
 MONTREAL LONDON, E.C., ENG.



Corrosion-Resisting

Put a piece of metal in acid, and see the tiny bubbles stream upward. That's corrosion you can see. Dip an ordinary pen in ink (ink contains acid) and the same thing takes place, only so gradually that you can't see it. The corrosion-resisting metal of all Esterbrook Pens is the result of 50 years exhaustive metallurgical and chemical research. Esterbrook pens LAST. If you like a smooth, easy-writing pen that makes a fine quick-drying line, try this Esterbrook Inflexible No. 322. SEND 10c for useful metal box containing this and eleven other most popular pens, including the famous 948 Falcon.

Esterbrook Steel Pen Co.
 46 to 70 Cooper Street,
 Camden, N.J.

Esterbrook Inflexible No. 322



KEEP COOL WEAR

King

COATLESS SUMMER SUSPENDERS

ALWAYS OUT-O-SITE
 LOOK FOR King ON THE BUCKLES

MADE IN CANADA

MONEY AND MAGNATES

Why the Stock Market Suffers

SO long as war loans are coming on the market and paying 4½ and 5 per cent., the prices of international securities must tend to decline. People are selling their old investments to take slices of the new loans. When international stocks go down, it is hard to hold up local stock. For example, Brazilian, C.P.R., and MacKay are international, and are selling lower than they were a year ago; this affects all other stocks on the Canadian exchanges by sympathy, aside from any reference to earnings assured or prospective.

Canada's Financial Opportunity

MUCH loose talk has been made to explain why the United States got war orders from the British Government which should have come to Canada. It is commonly said that the reasons were "financial." Some people seem to think that the United States manufacturers are sending munitions of war to the allies "on tick." The truth is, that much of it is paid for in advance and all the rest of it on delivery.

Instead of there being "financial" reasons why orders should be placed there, the opposite is true. The large size of the allied orders placed in the United States has created an unsound "financial" condition. The allies will shortly be forced by "financial" reasons to cut down the supplies they are getting from the United States. The Americans will not take the paper money of Great Britain or France or Russia. They will not take war loan issues except in a limited way. They demand gold, and the supply of gold available for this purpose is almost exhausted. Already some supplies for Russia have been held up on this account.

Plainly, then, the "financial" reasons do not exist. Sir Thomas Shaughnessy gives the real reason: "Because there were greater facilities there for making shells and ammunition." Canada got less than her share of these orders because it was not thought that Canada could fill them. If it had been realized that Canada had the machinery, or could secure it on short notice, and the mechanics, there were "financial" reasons why more orders would have been placed in this country. It has only recently been forced upon the notice of Great Britain that Canada could supply more of the required material if given an opportunity.

What of the future? There are "financial" reasons which will compel Great Britain to place more orders here in future. There is a surplus of money here and Canada can finance the making of supplies. To accomplish this it will be necessary for the public to subscribe to the "war loans." Already the banks and big financial companies are considering this. These institutions will be willing to take "war loan" securities if, in case of necessity, the Dominion Government will advance Dominion notes on such securities, as was done on other stocks and bonds last autumn. No doubt this can be arranged.

Under such a system, Canada can supply munitions without asking for British gold. Canada should be able to take, say, two hundred million dollars of British war loan securities in exchange for two hundred millions of war munitions. These securities could be distributed among moneyed men and moneyed institutions stimulated by patriotic impulses.

The Canadian Pacific Railway, Sir Thomas Shaughnessy informs us on his return from London, has arranged to turn their huge car shops into shell factories. No doubt Sir Thomas has provided for his financing in some such way as outlined above, the Bank of Montreal taking British war loan securities and advancing money to the C. P. R. to pay for the labour and materials. Other companies should be able to do the same, with the assistance of the banks and the Government. This will be advantageous to Great Britain and advantageous to Canada.

The Canadian people have nearly a thousand million dollars on deposit in the chartered banks and other savings institutions. In ordinary times, all this money is employed in financing the business of the country. Just now there is an idle surplus, because there is less manufacturing, less railway construction, less building of houses and factories, and so on. Canada has more idle capital to-day than at any time in its history. It will be easy to turn this surplus capital into the manufacture of munitions of war.

There are two dangers in all this which must be carefully considered. First, it would increase the amount of paper money afloat in Canada. This is not serious, because there is less currency in circulation to-day than there was last autumn. Secondly, the manufacturers might be in a serious position if they turned their factories into munition works and then found themselves without orders by a sudden stoppage of the war. This is a danger which cannot be avoided, and is shared in common by manufacturers in Great Britain and the United States. Yet it is a danger which can be minimized by foresight and conservative management.

The conclusion is, then, that Canadian financiers should arrange to place British war loan securities here on the condition that these be paid for in munitions of war to be manufactured in this country. We have most of the raw material, much of the necessary machinery, and an abundance of skilled machinists. All that is needed is a bold and courageous financial policy.

A Rigorous Bank Statement

ALL the bank statements which have appeared this year have reflected both a conservative policy and war conditions. Whether Canada had been affected by war or not the banks would probably have been pursuing the same conservative policy that they are to-day. Some critics of the situation are attributing everything to the war and forgetting that Canada had entered upon a period of retrenchment and readjustment of values long before the war broke out.

The Home Bank report which covers the year ending May 31st, displays the same rigorous attitude on the part of its management as preceding reports. Nearly three hundred thousand dollars were appropriated to meet bad and doubtful debts, and to provide for depreciation in securities. In addition nearly double as much was written off bank premises account as in the previous year. With this explanation it is easy to understand that the profits for the year were lower than during the previous year. These profits amounted to \$163,929.44, as compared with \$167,125.00 in the previous year. This is a very small reduction, and if the aforesaid rigorous treatment had not been adopted, profits would have shown a considerable increase. This should make the stockholder feel highly pleased.

The deposits not bearing interest amount to \$1,197,230, a decrease of about \$125,000. The deposits bearing interest stand at \$8,357,638, an increase of \$500,000. The total increase in deposits is thus \$375,000. This is another reason why the shareholders are entitled to feel pleased.

Here's to your good health



Keefe's PILSENER LAGER

Is good for your health.

Brewed only from pure barley Malt, choicest hops and filtered water. 279

The beer that is always

OX

Established 1864.

The Merchants Bank OF CANADA.

HEAD OFFICE - MONTREAL.

Paid-up Capital - - \$7,000,000
 Reserve Fund and Undivided Profits - - \$7,245,140

209 BRANCHES IN CANADA.

General Banking Business Transacted.

SAVINGS DEPARTMENT at all branches. Deposits of \$1.00 and upwards received, and interest allowed at best current rates.

TORONTO OFFICES:
 13 Wellington St. West; 1400 Queen St. West (Parkdale); 406-408 Parliament St.; Dundas St. and Roncesvalles Ave.; Dupont and Christie Sts.

Cawthra Mulock & Co.

Members of Toronto Stock Exchange

Brokers And Bankers

12 KING STREET EAST
 TORONTO, CANADA

CABLE ADDRESS—CAWLOCK, TORONTO