

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.

Telephone: Main 7404, Branch Exchange connecting all departments.

Cable Address: "Montimes, Toronto."

Winnipeg Office: 1008 McArthur Building. Telephone Main 2914.
G. W. Goodall, Western Manager.

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MORE PRODUCTION

The Dominion government will appoint a commission to inquire into such subjects as immigration, agriculture, transportation, the borrowing of capital and the marketing of food products. All these topics relate to the important question of stimulating greater production in Canada. Suggestions were made early in the year that such a commission should be appointed, and it is gratifying to know that these suggestions have secured the favorable consideration of the government. Ottawa dispatches are inclined to lay stress upon the assertion that greater production is needed to meet conditions "arising out of the war." Greater production, however, is needed for more than that. It is required to meet the most important national problems confronting the Dominion.

At the end of 1912, we had reached the end of a long period of construction work. This included, as well as the building of railroads, plant and new towns, the fostering of immigration and the settlement of agricultural lands. Canada must now get down to the business of production far more seriously than it has in past years. This production naturally will take the form chiefly of manufactured and agricultural products. The demands of the home market will be cultivated and export trade will be developed. A memorandum dealing fully with the commission's work is printed elsewhere in this issue of *The Monetary Times*.

It is noted there that the reduction of "the present great discrepancy between the price received by the producer and paid by the consumer, should not be overlooked." As *The Monetary Times* has pointed out on several occasions, this is a serious matter. If it is not dealt with effectively, it will tend to obstruct a "back-to-the-land" movement which now shows healthy signs. Having gone back to the land and raised agricultural products successfully, the grower must have a square deal in the matter of marketing. If he does not, the land will lose him again, and that is a national calamity. This, however, is only one of a large number of important ques-

tions with which the proposed commission will deal. The commissioners will have a big task ahead of them and they will be working upon the most important problems of the Canadian national position.

"WAR BUSINESS"

Estimating the "war business" for the United States at \$1,500,000,000, it is fair, says the National City Bank of Chicago, in a recent circular, to put the profit at \$300,000,000 or 20 per cent. "Such a profit appears enormous but it has to be judged in each instance with reference to the loss encountered in dismantling the plant, and equipping it with expensive machinery for turning out work which it was never designed to produce. Most of the machinery will go to the scrap-heap as soon as the war ends, when each plant will have to be put into condition again to handle its normal business. This situation was clearly foreseen by manufacturers and in a measure provided for. But the after effects represented by the cost of restoring the plants and regaining the business that had to be sacrificed will be highly interesting, to say the least."

Putting the Canadian war business at \$420,000,000 and profits at 20 per cent., the profits would figure at \$84,000,000. To some extent the same considerations with respect to machinery, and noted above, apply to Canada. The after effects here will also be highly interesting. Gamblers in war stocks will suffer and some plants which have rushed headlong into the war order business, without proper consideration, will learn an expensive lesson. On the other hand, the war order business is likely to lead to a substantial Canadian export trade with Europe after the war is over.

CANADA'S BOND SALES

According to the carefully compiled record of *The Monetary Times*, the sales of municipal bonds in Canada during June totalled \$2,664,744. This compares with \$4,264,281 in May and \$4,617,857 a year ago. No sales were made in Great Britain owing to the continued closing of the London money markets to practically all except war loans. No large sales were made in the United States, although part of an issue of \$1,000,000 London, Ontario, notes was being marketed there last month and these sales are still being made. Those figures, therefore, will appear in the July or August record. Negotiations for the sale of short-term securities in the United States of the city of Prince Rupert were also in progress last month.

The sales of all Canadian bonds for the first six months of the year, according to the figures of *The Monetary Times*, total \$128,659,206. These were sold in the three markets as follows:—

Canadian bonds sold in	Amount.
United States	\$ 60,297,772
Canada	27,186,434
Great Britain	41,175,000
	<hr/> \$128,659,206

The total bond sales last year were \$257,581,296 compared with \$373,795,295 in 1913. The sales for 1914 comprised about seven months' active business, as practi-