

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 505)

of course was one of the effects of the Liberty Loan campaign which closed on May 4th. When the United States Treasury disburses the funds, much of the money will be retransferred to the accounts of individuals and corporations; and as such deposits must be protected by reserves the tendency would be to reduce the excess reserves.

It is said that there were 17,000,000 subscribers to the Liberty Loan. This approaches nearly to the average of one subscription per family, and eclipses our performance in connection with the Victory Loan.

SOME ASPECTS OF AFTER-WAR TRADE.

(Continued from Front Page)

While the length of time involved in repatriation may ease the problems involved by demobilisation, it also suggests that a considerable period must necessarily elapse after the war before immigration to Canada sets in on any large scale, if circumstances form at that time such a movement of population—and that is not yet clear. So that, it will be well not to under-estimate, in calculations regarding the future, the length of time which Canadian industry may take to recover from the shock of the arrival of peace. The undertaking in the immediate post-war period of large public works for the employment of demobilised and released labour would be a natural and beneficial development to supplement the production of foodstuffs and raw materials demanded abroad. The deferment of any public works not of present necessity is therefore not merely good policy from the point of view of releasing labour at present, but certainly wise in view of the contingencies of the future. To sum up, heavy responsibility rests not only upon the Government and public authorities, but also upon bankers and other business leaders, for the maintenance of the Dominion's economic stability after the war. While there are favourable factors affecting the future, the disruption in Canadian industry and trade involved by the advent of peace will undoubtedly be a severe one. To minimise this disruption requires both a wide-eyed recognition of the possibilities involved, and a careful, unhurried planning to meet them.

WAR AND WHEAT YIELD IN U.S.

"The late J. Pierpont Morgan's well-known remark that 'a man who is a bear in this country will go broke,' never was truer than it is to-day. Our Secretary of War now concedes that we have 'over' 500,000 of our troops in France. He does not say how many 'over,' but anyone who sees our troop-laden ships going out day by day and knows the large number of men who still are available to go over, must know that every day makes the Kaiser's job more difficult and puts an additional nail in his coffin. This is not buncombe. The American Army has got its start and is going to give a good account of itself and anyone who has faith in the Army cannot fail to be a 'bull on the country.' The market for securities has the broadest of visions. It does not notice purely local developments."

The Government's May report on the wheat outlook has been another of the favoring influ-

ences of Wall Street's week. The Department of Agriculture forecasts a harvest of 572,539,000 bushels of winter wheat. This figure has been exceeded on two previous occasions, but is nevertheless far above the average. It is 12,000,000 bushels more than was forecast a month ago and with the high prices current for the staple there is the best of reasons to expect that utmost care in cultivation will be exercised. Efforts also have been made to stimulate production of spring wheat and corn. Preliminary reports indicate an increase in the acreage of the former which may be sufficient under favorable growing conditions and with the great care that will be taken in cultivation to bring toward the billion bushel mark the wheat harvest in 1918. The first announcement of the spring wheat acreage will be made in June, but the department's report indicates that the seed already planted is germinating well generally. Rye production will establish a new record the forecast of the crops being 82,620,000 bushels or 22,000,000 bushels more than last year's crop. This may be regarded as symptomatic of the general response of grain farmers to the Government's appeal to the agricultural classes to plant and raise larger crops.—Boston Transcript.

ROYAL BANK.

The proposal for the amalgamation of the Northern Crown Bank with the Royal Bank has been unanimously ratified and under the new merger the Royal will have 113 new branches added, making a total of 536 separate offices. We understand the actual transfer will take place at the end of the calendar half year.

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