

MR. H. V. F. JONES ON PROBLEMS OF WAR FINANCE.

Mr. H. V. F. Jones, assistant general manager of the Canadian Bank of Commerce, has arrived at Toronto from London, England, to take up the duties of the position to which he was recently appointed. In an interview, Mr. Jones stated that shortly before leaving London, he had had an interview with Mr. McKenna, the Chancellor of the Exchequer. No man could be more cheerful, more the master of the situation, or more confident of the future. The problems of financing the Quadruple Entente are taxing the ingenuity, but they are not frightening the Chancellor of the Exchequer. "Mr. McKenna," said Mr. Jones, "was immensely pleased to learn that we will be able to go very far—a longer way, indeed, than we think ourselves—in assisting Great Britain by extending her credits for munition supplies. The credit already arranged, which I learn is represented by the surplus of subscriptions to the war loan, amounts to some 50 millions, and Mr. McKenna thinks that with our estimated excess of exports over imports of over two hundred millions, Canada will be able to help materially in solving the difficult problem of financing the war."

GRAVE FINANCIAL SITUATION.

"There is no minimizing the gravity of the financial situation which faces the Allies at the present time," said Mr. Jones. "In protecting her gold reserves from the demands of the world Great Britain, carrying the financial burdens of the Allies, adopted the first logical means at her hand by raising the rate of interest and making the bank rate effective, thus inducing neutrals and others to allow their balances to remain in the country. The enormous adverse balance of trade up to the present has been partially met by the sale of securities, the shipping of gold, and by the recent loan and credit operations in the United States. Shipments of gold, except when undertaken for account of the Treasury, are not encouraged, and the minor obstacles, such as freight, insurance, and the fact that what is termed the 'sweated' sovereign only is paid out to such exporters, all act as deterrents.

MOBILISING SECURITIES.

Referring to the recently announced scheme for the mobilisation of American and Canadian securities, Mr. Jones said that the scheme will probably effect the mobilisation of from £150,000,000 to £200,000,000 sterling, and as the New York banks will be quite willing to lend against American securities, it is hoped by these means to raise exchange to the level of the "sweated" sovereign, say \$4.76, when freight and insurance are taken into consideration.

This sum, coupled with the proceeds of the recent loan and the new bankers' credit of \$50,000,000 recently arranged in New York, Mr. Jones understands, will carry the situation well into the new year. Some relief he expects will be afforded when the new munition factories of Great Britain and those in other parts of the Empire will have caught up with the demand, but he thinks that the War Office cannot afford to depend on this expectation, but must go on preparing for every contingency.

Because of this Britain must be prepared to undertake even more onerous financial responsibilities.

CROP MOVEMENT THROUGHOUT THE WINTER.

An interesting statement regarding the crop movement has been issued by the Canadian Bank of Commerce, which anticipates as probable that during the present month the volume of Canadian merchandise exported will exceed in total and in excess over imports the record of any previous period in the commercial history of Canada.

The circular continues:—

"From the prairies, reports generally agree that at many points elevators are filled to capacity, and that the number of cars available to meet deliveries by farmers is inadequate. The Dominion Government Grain Commission is endeavoring to divert grain consigned to Fort William to interior Government storage elevators so as to release the cars for reloading by the farmers. Despite the utmost efforts of the railways and elevator organizations deliveries by the growers are on a larger scale than can be handled. Fortunately there remained in stock towards the close of November only a very small proportion of the crop.

"Towards the close of last month inspections at Winnipeg exceeded those of last year by approximately 108 per cent. For the three months ended November the total cars inspected in the West amounted to 135,242, as compared with 64,665 for the corresponding period of 1914. It would appear from present indications that Canada will have this year the unusual occurrence of a heavy crop movement continuing through the winter, and which will not cease until well on in the summer of 1916."

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