

At that moment no machinery existed by which Canadian banks with call loans or actual cash, in either London or New York, could use such resources to pay debts in Canada. It seemed at first as if it would be necessary to declare several Bank Holidays in succession to afford time in which to work out remedial measures, but the latter were provided so promptly by the Government that no general cessation of business took place. The value of such measures is not to be judged by the use made of them. On the contrary, we are proud that they were used so little. Their real value consists in the assurance to the public and to the banks that steps have been taken, so far as lies in the power of the Government, to enable business to go on as usual. Since the passage of these measures the effect of the really wonderful provisions for financial relief set in force by the Imperial Government, the consequent ending of the British moratorium, the recovery of British and the partial recovery of other international exchange markets, the removal of nearly all enemies of the peace on the high seas, and the lowering, therefore, of the charge for the war risk in insurance, the partial resumption of operations by Stock and Merchandise Exchanges, and many other remedial features, all these have helped largely to restore the broken machinery of the world by which before the war all international and much of our domestic business transactions were carried on.

The only moratorium legislation put into effect in Canada thus far is in Manitoba and Saskatchewan. In Manitoba proceedings to enforce mortgage security on land are delayed for six months, while the period allowed for redemption is increased to one year. The Act does not affect trust deeds securing bonds, debentures or stocks. In Saskatchewan an Act was passed giving wide powers to the Lieutenant-Governor for protection of debtors, and these powers have been exercised by a proclamation extending protection to volunteers and reservists from all legal processes for six months, and by a further proclamation giving protection to all debtors against legal process under chattel mortgage, conditional sale or hire receipt, except with the approval of the sheriff.

In Ontario the Government have intimated their intention to introduce legislation requiring mortgagees and holders of similar securities to obtain an order from a judge before foreclosing, and giving the judge power in cases of great hardship to extend the time of payment. It is not intended to interfere with the collection of interest, rent or other debts of like character.

In Alberta a new Act has been passed in connection with the proceedings for the foreclosure of mortgages and similar securities, but this is not in the nature of moratorium or other legislation caused by war.

In this connection it may be well to say that the speaker has recently seen the returns of four large lenders by mortgage, the total principal of whose loans amounts to \$60,000,000. On these loans interest has been paid in the East with only a very trifling percentage of arrears, while in the West about 92 to 94 per cent. of all interest has been paid, either at the moment when due or within three months thereafter. Anyone who can remember the conditions in the now rich Province of Ontario twenty-five years ago will think this a very good showing indeed.

In Saskatchewan there are now commissioners whose duty it is to look after the finances of the various municipalities in the province. It is interesting to learn that one company owning about fifteen million dollars in Canadian municipal bonds had at the end of the year only three towns and three school section bonds, aggregating \$4,500 of principal, in default, and this temporary default had taken place since August and has no real significance.

We have in each year remarked upon the condition of our foreign trade, partly because in the disparity between imports and exports the danger line of our expansion is most easily found. We have to sell securities to settle this difference and we have to pay the interest on these securities. Frankly, with the balance against us at March 1913, of \$298,711,000, already referred to, we had gone far enough. The contraction in building operations and the general economy which had already begun helped to bring this debit

balance down so that by March, 1914, it had fallen to \$171,629,000. The improvement, however, was caused by a reduction of only \$41,325,000 in imports, while there was an increase in exports of \$85,765,000. In these figures the export and import of coin and bullion are included. Heretofore it has not seemed worth while to adjust the official figures by leaving these items out, but during the half-year ending September, 1914, the shipments of gold to Canada were so large as to render an adjustment imperative. The official excess of imports over exports for the half-year was \$89,213,000, but omitting shipments of coin and bullion it was only \$64,022,000. From this time forward, imports should show a very great decline, while, because of high prices for grain, the carrying out of war contracts for the allied countries, and the general desire to sell all that is available and to buy nothing that is not a necessity, our exports and imports should in the near future more nearly meet than at any time since the early years of this century. This will be a highly creditable accomplishment, showing that without undue pressure we could in two or three years do what our unfriendly critics thought impossible, that is, adjust the very large trade balance against us. Of course, we have still our interest to pay, and this country, in order to meet the most conservative demands for development, must be a borrower for many years to come, but I think we need have no great fear of the future in this respect if we take sufficient care of our credit. During the year 1914, although the markets were only favorable at times, and, since the war, have been practically closed to us, we sold securities abroad amounting to over 225 millions.

As soon as Great Britain begins to buy any new securities other than war issues, she will buy ours, and meantime we must hope that the market for our bonds in the United States will continue to grow. We cannot too often draw the attention of that country to the fact that when our foreign trade is analyzed the net debit for the difference between our sales and our purchases is payable to them and not to Europe. If the war prevents London from buying our securities, either the United States must buy them, or our great trade with that country must fall away, and the cry of "Made in Canada" would then have even a wider significance than it has today. During the year ending March, 1914, again omitting the figures for coin and bullion, we made purchases from the United States to the value of \$409,818,000, and we sold them goods to the value of \$178,282,000, so that with a net excess of imports from all countries of \$179,945,000, the excess in the case of the United States was actually \$231,536,000. Part of this is, of course, offset by the actual cash brought into Canada by the settlers from the United States, part of investments made here by Americans, and part by the purchase of our securities, but it has mainly been settled in the past out of the proceeds of our sales of securities in London and on the Continent.

It is not possible to forecast the effect of the war upon our economic position, and we must be prepared to meet each new condition as it arises, but we can learn something from the events of the war, and gain courage or caution as the result. The cost of the war to Canada is already arranged for in London, so that no money is being withdrawn from Canadian money markets on that account, and to the extent of 60 per cent., representing that part of the war expenditure which is paid out in Canada, we obtain money in London with which debts abroad can be paid. The war has brought us military contracts and purchases of supplies on account of Great Britain, France and Russia, the amount of which has been estimated at much higher figures, but may safely be placed at about \$30,000,000; our exports are thus increased and a corresponding ability to pay debts abroad created. One estimate of the result of the war on our foreign trade places the annual value of the imports into Canada, the movement of which is either directly or indirectly affected because of the war, at \$110,000,000. We can gather from this some rough idea of the extent to which our imports will be restricted by inability to obtain the particular articles we desire. It is already clear, however, that reduction will also come from lessened imports due directly to lessened trade at home. On the other hand, exports will be enlarged in quantity and value by the foreign demand for food-stuffs of all kinds, and already the preparations for next year's crop exceed

anything known heretofore. Less noticeable, but probably of great economic importance will be the result of the wave of economy which has swept over Canada, mainly an enforced economy, but affecting all alike whether incomes are reduced or not. The effect of the careful use of food alone, the realization of the value of a bit of unused land as a garden plot, the little or great increase in production of almost every farm in Canada, east or west, the willingness to wear out old clothes and to put off the purchase of all luxuries—no matter how desirable—the cry for goods "Made in Canada," and the slow but gradual realization that every unnecessary import may be a wrong to Canada even if the purchaser himself can afford it—all of these things must, taken together, materially increase our financial ability to bear the strain of the war. On the other hand, many of our greatest industries are working on short time, or are practically closed down, our railroad earnings speak eloquently of the contraction of business, men are not thinking so much of making money as of conserving their position for better times, unemployment as a problem faces us as rarely before, and the daily newspaper makes it impossible to forget that our material affairs are a secondary consideration while we rest under the vast shadow of the war.

Immigration has nearly stopped for the time being, except from the United States and the Orient, but, owing to the war, it is impossible to obtain figures showing present conditions. We have, of course, lost for a time a large number of our best people by the despatch of our own contingent, by the return of reservists, and in other ways.

The reports of our superintendents and others on the business conditions in the various areas in which the Bank is interested are, needless to say, of more than usual importance. They range from references to the greatest financial events in the history of the world to the price of the agricultural products of a locality, and they give faithful representations of the various elements working for or against our prosperity. If we consider the awful effects of the war, we can but congratulate ourselves on the manner in which Canada has stood up under the strain and on the spirit shown by her people, while if we look beyond the war, we cannot doubt the ability of this country to carry out every prophecy made as to her future. In connection with the success which has attended our confederation of the North American provinces in one Dominion of self-governing people, we draw attention to the report of our Newfoundland manager, in which the hope is expressed that the last step contemplated by the Fathers of Confederation is now possible of attainment.

The Report of the Directors was then adopted, and the retiring Auditors, Messrs. T. Harry Webb, C.A., and James Marwick, C.A., were re-appointed. The usual votes of thanks were passed and the old Board of Directors was re-elected without change.—Advertisement.

## The Mail Bag

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the business. The local store has not been displaced, but instead of being owned by one man is owned by many and by one stroke has cut out from all members of the new concern all catalog business. After the co-operative store at Centuria, Wis., had been established for a few months I made enquiry of the postmaster if he had noticed any difference in the number of orders sent to department stores since co-operation had become a fact in the village. His reply was, "Not one, where there were ten before." My experience has been that a co-operative store does as much or more to build up a town as does a privately owned store. The plea that money sent away for goods injures the town is a specious one, for if I spend a dollar with a local merchant he sends that part of the dollar away to the wholesaler which he paid for the goods, retaining only the profit. If I send to a department store a dollar I send the wholesale price away, or out of town, as did the local merchant, the profit being left in my hands. The only question left to the decision of the farmer is whether the profit is more valuable to him left in the hands of the merchant or in his own hands.

Chaplin, Sask.

J. R. LOWE.

## Report on Pork Packing

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To save ourselves from loss, we had these slaughtered and sold to the retail trade as dressed mutton.

### Farmers Have Benefitted

As a result of our entering the field as hog buyers, I believe that the farmers of Alberta have benefitted to the extent of at least one-half cent per pound in the prices received for their hogs, and never in the history of the province have they been paid so close to market prices. It is common talk in the stockyards that there is not the money in handling hogs that there used to be before we entered the field.

This ought to some extent show the value of the work that has been done, that altho we have not secured the packing plant, it has done something towards bettering the hog industry and has given us some valuable experience and is laying the foundation of the larger project by getting after the source of supply. This work is only in its infancy yet and is capable of being developed to any proportions our farmers wish it to assume; the only limit being the amount of support the stock raisers give us. That it is still increasing, I would point to our December statement, when we handled at Calgary 48 cars of stuff, 38 cars being hogs, numbering 3,089; 8 cars cattle, 208 head; and 2 cars of mixed stuff in which were 90 sheep. At Edmonton we handled 34 cars, 3,211 hogs; 2 cars of cattle, 32 head; a total at both points of 72 cars, 6,300 hogs; 10 cars of cattle, 240 head; and 2 cars of mixed stuff, amounting in value to a grand total of about \$75,000. All the cost of doing this work has been paid by itself, except what might be charged for the elevator agents' time, and it shows a net profit of \$2,521.69 or \$5.40 a car.

### Thanks for Assistance

I cannot let this opportunity pass without thanking those who have so faithfully supported us. Some of our agents have developed a remarkable talent for the hog buying business, and without their aid we could not have made the success we have made of it. I would particularly mention Mr. Buckingham, of Stettler, our director for Red Deer. He has preached the hog gospel in and out of season, attending meetings, bought hogs and brought them to Calgary himself. I cannot thank him too much for the support he has given us. I would also thank the large number of loyal supporters which our work has developed. In some cases they have stuck to us when it possibly meant an apparent loss to themselves. We have had to meet the active opposition of every hog buyer in the province. This was to be expected and I am glad to say we have more than held our own. We have followed as closely as possible the lines laid down by you—with what measure of success is now before you. We have not tried to develop the packing plant, because your instructions confined us to the work that we have tried to perform. It is now in your hands to say what the future will be and also who is to carry on the work. It has now developed into big business, and altho it is not as co-operative as we would like to have it, and have tried to make it, still it is as near co-operation as we have been able to make it go, and it shows us more and more that we are following along right lines of standing together. That when the time comes to develop the packing plant the supplies for it will be in our own hands. That we have been able in the short space of nine months to develop and finance on itself a business amounting to a half million, speaks volumes for what can be done when our farmers will get into line and all pull together.

### Handling of Livestock

One afternoon session was devoted to the consideration of reports, which are published elsewhere in this issue. All the reports were unanimously adopted after the explanation of some of the points touched upon except the report of the pork packing committee. Considerable interest was displayed in this report by the delegates and a diversity of opinion was evident. The report showed that the handling of livestock had been carried out by the Alberta Farmers' Co-operative Elevator Company, at the request of the pork packing committee of the U.F.A., and under the management of E. Carswell, of Red Deer, who was chairman of