

PUBLISHED EVERY FRIDAY
by
The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times

Trade Review and Insurance Chronicle

of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND
Managing Director

FRED. W. FIELD
Managing Editor

A. E. JENNINGS
Advertising Manager

How the Facts Compel Confidence

THE instinct of knowing when the inevitable will come around the corner is one half of success. That being the privilege of only a few, the art of accepting the inevitable is nearly as valuable. During the first week of war Canada, like other countries, dropped pen and tools and order books to read war bulletins. Later the country realized that this international struggle is not an affair of days. The next phase was a patriotic stand to assist Great Britain in the fight. Then came business self examination. Up to that point, the inevitable had been accepted in good spirit. Then there appeared a disposition for the business mind to make lengthy trips to meet trouble. So long have been these mental journeys that some have foretold even what disastrous days may come after war. Obviously that is the wrong attitude for business in Canada. Having accepted the inevitable, there are many substantial facts of consolation.

First, the British Empire has gone into a fight for good cause, and with excellent chances of victory. Second, Canada never before has had to face a crisis like this. It therefore gives an opportunity to show that the national business steel is well tempered. Third, the Dominion not being at the actual seat of war, some benefits come as a result.

The closing of one factory is taken as a conversational text and talked to distraction. Of the factories that have been given orders as a result of the war, making wheels revolve for many months to come, little is said. Too much business conversation is on that basis and this places business itself on the same unfortunate foundation. That is a mistake. The sooner every man will allow the brighter facts to attend him, and his business to be given the best possible impetus, the better will it be for the community.

It is right to exercise economy, but mistaken economy is out of place. The nation is made up of individuals. National business is made up of individual business and the national welfare of individual welfare. If five thousand people lack faith in the economic strength of Canada, that in the aggregate is a town's lack of confidence. Every individual who makes the problem of living more difficult for another, makes the problem still more difficult for a group. They in turn make it harder for the whole community. Sentiment plays a goodly part in business. If sentiment is poor, business will suffer. Waving a flag with one hand and closing the factory gate with the other does not help. Cutting the wages of the workman is just as disastrous to him as the withdrawal of a business man's bank credit at a critical moment.

Every employer should do his best to keep the labor situation as nearly normal as possible. An army of unemployed is a dangerous wound in the economic body.

Unemployment creates extensive dissatisfaction and suffering. Further, it eats into the savings now placed in the post office, government and chartered banks in hundreds of millions of dollars. That money, where it is, helps to carry on business. If the individual does his part and makes even the so-called sacrifice, the entire community is doing its part automatically. The benefit is universal. That is what Great Britain is doing. Radical measures to assist are being taken in the British Isles by individual firms and by the government. Britain is following the policy outlined by Sir George Paish, who says:—

"Orders should be given, factories should be run, and everything should be arranged to maintain, as far as possible, the productive power and the income of the country.

"At such a time it is of the greatest importance that everyone should endeavor to act as if great events were not impending. Were confidence seriously disturbed business would come practically to an end, and our ability to face the difficulties that may be in front of us would be seriously impaired.

"Therefore, it is of vital importance that, as far as possible, the events that are now taking place should not interfere with the daily life and the daily work of the nation.

"It cannot be too clearly realized that the nation's income is dependent upon its daily work and its daily production, and that at a time such as the present it is desirable that every one should work harder and be more productive, in order that we may have the income, and therefore the money with which to meet any expenditure and any burden that may be placed upon us.

"Every one according to his ability must endeavor to work hard in order that individual incomes, and therefore the income of the whole nation, may be maintained at the highest possible level."

Some may contend that this is all very well as sentiment and talk, but that the facts speak otherwise. An analysis shows that many facts confirm cheerful business sentiment and encourage the policy outlined. The outstanding feature is the notable strength of the banking and financial situation in Canada. The banks had already prepared for a process of readjustment, which was due anyway after the recent active era of construction and speculative period. They were, at the outbreak of war, in an excellent position to cope with the situation. Since then, strong measures have been taken to make the financial position impregnable. The banks have been authorized to issue Dominion notes to such an amount as may be necessary against such securities as may be deposited by the banks and approved by the minister of finance and his expert advisers. The banks also have authority to make payment in bank notes instead of in