

# The Chronicle

## Banking, Insurance and Finance

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### CANADA ON HER OWN FINANCIAL RESOURCES.

When one considers the march of events in 1917, one cannot help marvelling at the wonderful progress the Dominion of Canada has made. Crises were many. Every country in the world has had its own serious problems to solve—intricate and delicate problems arising either directly or indirectly from the European war. The Dominion of Canada has been confronted with many such, but her sound programme of development and expansion has been uninterrupted and continuous, each difficulty in turn having been surmounted with creditable success.

The country is now placed entirely upon her own resources, as far as financing is concerned. Canada is still a creditor nation by an exceedingly wide margin, and this is remarkable when one considers that less than four years ago the trade balance was certainly not favorable. But she must sink or swim in the financial world of today, or, at any rate, work out her own economical salvation, for the money-lending centres to which she has turned in the past for credits and funds are no longer available. She must finance herself within herself. In 1918 the New York market will certainly not be readily accessible. The gates were partially closed last year, the Dominion accomplishing 74.63 per cent. of her financing within her own limits, 24.71 per cent. in the United States and only .66 per cent. in Great Britain. In 1916, 64.89 per cent. of the financing was arranged in the United States, 33.56 per cent. at home, and 1.55 per cent. in Great Britain. And the country raised a total of \$756,346,033 in 1917, compared with \$316,917,362 in 1916.—R. B. Verner.

### THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page.)

The financial community is discussing with much interest the proposed list of prohibited imports, issued at the beginning of this week. It is conceded that the prohibition of such important commodities would have a considerable effect upon the foreign exchange situation; and it will inevitably react rather disastrously upon certain departments of our trade. There might be in evidence a remarkable stimulation of activity in connection with certain lines of Canadian industry. Many of the Canadian concerns producing the items, importation of which comes within the proposed prohibition, will be obliged to greatly in-

crease their output if the demands of the home market are to be fully provided for. However, one of the large Canadian manufacturers of automobiles stated in Toronto the other day that he understood that the Canadian industry under the new plan would not be allowed to increase their business.

Some observers take the proposed prohibition of imports as an indication that the American Government cannot see its way to granting Canada credits large enough to finance our persistently adverse trade balance with the United States. If it were possible to arrange large credits in New York to cover our exchange requirements, there would be no necessity for putting in force this drastic order; but in case American loans of the requisite magnitude were not obtainable then our Government would naturally be obliged to take other steps to correct the unequal trade exchanges. Thus it may conceivably develop that the increase of our exports to the United States in connection with the Washington Government's war orders and in connection with other special war shipments along with the decrease of our imports of articles which can be produced here, will in the course of a few months cut the debit balance on trade account down to smaller figures.

### SOCIAL UNREST AND LIFE INSURANCE.

"Capital has shown a tendency to centralize in great fortunes in the hands of the few," remarked Mr. J. F. Weston, managing-director of the Imperial Life of Canada, in a recent address. "When its administration seems unjust to the masses and labor organizes in an opposing camp, each demonstration it makes is a threat against modern economic systems and against the laws of the nation which supports them. These protests bear a striking resemblance to those which have preceded revolutions against other systems which at different times have precluded a reasonable distribution of the nation's wealth, so as to assure to the masses a livelihood according to the standards of the time. Whenever this has occurred in the history of nations, it has resulted in social unrest, revolution and anarchy. Anything which serves to prevent a recurrence of these phases, or even a tendency toward them, under our present systems serves a highly patriotic end and such is the whole trend, purpose and effect of life insurance. I do not claim for it or for any other system which tends toward the equalization of wealth that it can settle all the troubles which accompany the evolution of our race and of its governments, but I do claim that if you can make it apply generally enough to cover a large percentage of the homes of the nation, giving that sense of security which it does give, you will have an independent, happy people, with a stake in the country which will make them contented with the laws and institutions under which they enjoy it and they will be ready and willing to make any sacrifice in its defence which patriotism may demand. Such a people under a democracy will solve their social problems by peaceful methods, civilized process, instead of savage means."