

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

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Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, SEPTEMBER 27, 1918

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page).

as to give entire satisfaction at Washington. In fact one of the chief American inspecting officers publicly stated in Toronto that the Canadian contracts were filled more satisfactorily than many of the contracts placed in the United States. The good and accurate work done by our munition makers is now evidently leading to a substantial increase in the American orders. It was stated last week by a financial contemporary that the Canada Cement Company's American contract involves \$20,000,000; and that the order comprises large shells, in the making of which the company's plants have had considerable experience. The shipments made later in the year, on account of the large orders recently placed, will help to offset the loss of trade arising from the falling off in British contracts. They will also react beneficially upon our foreign exchange situation.

Money market conditions in New York are unchanged—the bankers there keeping the brokers' loans strictly under regulation. In their Saturday statement the New York clearing house banks reported the large gain of \$40,500,000 in excess reserves, bringing the total up to \$65,300,000. Loans increased \$72,000,000; reserve in Federal Reserve Bank increased \$42,000,000; and net demand and time deposits, taken together, increased \$12,000,000.

THE ST. LAWRENCE POWER PROPOSAL.

At a time of less crowded interest and onerous obligations, recent developments in connection with the St. Lawrence power proposal would have received a large amount of public attention, and we have no doubt that the attitude of the rank and file of Canadians would have been unmistakably expressed. To put the matter quite frankly, it appears to Canadians that our energetic and resourceful neighbors are using war necessities as a pretext to "put one over" on Canada. Canadians have no wish to hamper in any way the war organization of the United States; since it is clear to all parties concerned that the maximum of effort can only be secured through the closest co-operation. But that co-operation does not mean the calm surrender of treaty rights, as a result of what looks uncommonly like a selfish intrigue by

parties, who under other circumstances have been unable to secure their desired ends. Such an intrigue can only be met by the most vigorous opposition on the part of Canadians.

THE CASE FOR THRIFT.

The case for thrift in Canada at the present time may be briefly summed up. The country has been in a state of unexampled prosperity for the past two or three years, owing, it is quite clear, to unusual war conditions. Wages have been high, profits are large and there is a total absence of unemployment. Very many workers are earning more than ever before and thousands are wage-earners for the first time. With all this prosperity and the fact that they are not accustomed to judicious disposal of their money, many spend their entire surplus seemingly on the assumption that this prosperity will go on forever.

The appeal now is to the people of Canada to immediately undertake a vigorous campaign of personal thrift, to abstain from the purchase of all luxuries and non-essentials, and to endeavor to accumulate as great a saving as possible. Naturally many people will say they are now living as economically as they can and that their standard of living has actually been lowered owing to the high prices of articles of food and clothing. This may be true, but it does not alter the fact that there is still much extravagance and that this exists to a dangerous degree when we remember the temporary character of the prosperity and the perils of the period of readjustment that will follow peace.

The practice of thrift by the Canadian people now will bring a large accumulation of national savings to secure us individually and collectively against any trying change that might occur in the economic situation. It would make possible the continuance of Canada's splendid part in the war and the maintenance of our war financing on its present sound basis. The elimination of luxuries and non-essentials would as a matter of fact, release labor and material for war purposes instead of using these great and scarce necessities for things that we could do without.

The examples of other countries should inspire Canadians to much greater effort in thrift. France has been able to face her four years of terrible trial by reason of her background of personal thrift. Great Britain is practicing it as perhaps never before. The United States is fast piling up vast sums of money for the use of her own and the other armies of the Allies. Canada has done much to finance her own part in the war but no one can say that the limit of saving has been reached or even approached.

NORTH AMERICAN LIFE.

The North American Life Assurance Co., Toronto, has issued a very handsome Victory Loan Blotter to help advertise the coming Victory Loan. Printed in two colors it is very striking in appearance and the large quantity being circulated through the Company's agents should materially stimulate interest in the new loan issue.