

Review and Outlook by a Bank's General Manager

The Necessity for Providing Against the Dawn of Peace, and Its Opportunities and Problems.

If the general manager of the Merchants Bank, Mr. E. F. Hebden, speaks but seldom to the public, he always receives an attentive hearing. His remarks on the occasion of the annual meeting of the bank, recently held in Montreal, will repay a careful perusal, particularly as they have some bearing on future problem. He said in part:—

The country has been greatly blest with an immense harvest the past year, its value being much augmented by the prevailing high prices for all grains. A great prosperity has also attended stock-raising and mixed farming. A very enlightened policy of encouragement has been carried on by the Dominion and Provincial Governments and the chartered banks for the promotion of everything in the agricultural way, and this policy of encouragement is bringing forth fruit a hundred-fold. I do not think I am overstating the figure in placing the value of the out-turn from agricultural fields, live stock and other sources throughout Canada, at the astonishing figure of between seven and eight hundred millions. What this means, in liquidation of indebtedness and creation of additional working capital, may be easily understood to a country where capital only is wanting to unlock the doors of nature's treasure-house. A comparatively young country, able to record such an accomplishment, cannot surely allow room for many doubters. The latter exist everywhere, however, and even Canada must put up with its quota. Good business in the manufacturing and trading fields will not have long to wait upon a sound and prosperous agricultural development before the wheels of the former are again humming. Our most recent data gives much hope that another rich return may be looked for from our Western agricultural field. Present conditions are altogether favorable. We know, however, that it is somewhat early to predict the ultimate outcome with certainty. Meanwhile, it is quite true that except in certain well known lines most of our efforts just now are put forth in the manufacture of munitions. This situation will, no doubt, last for another year or two, but in the meantime the farmers are not idle, but are creating a position of strength and purchasing power that will make glad the heart of the manufacturer and trader when later the sword is beaten into the pruning-hook. Who shall say that we are not living in a favored country and that Canadians are not an industrious and virile people who can equally follow the plough or draw the sword—yes, and stand in the deadly breach.

In the interval we shall have at least two important problems to deal with. The return of an immense victorious army flushed with victory and with savings at their command, unless proper safeguards are set up, may mean grave difficulty and embarrassment to the country. Will it not perhaps be hard to maintain law and order without a well-considered plan beforehand for the peaceful redistribution of the individuals where their redundant health and physical fitness may be turned to account? We know that idleness and unemployment are the sources of great evils, and that, on the contrary, there is great safety in industry and occupation. No doubt the authorities, who have shown themselves so competent, are studying this question (not a new one), and that a solution will be duly found. Perhaps the Western lands may interest the returning soldier if settlement thereon is made practical and reasonably attractive. Canada can well afford to deal liberally with her repatriated sons who have deserved so well of her, but plans and timely preparation are conditions precedent to the working out successfully of such a programme. Short of the prosecution of the war, no work can measure up in importance to that of placing the returning hosts in the way of self-support and independence.

Then what of the laborer released from the munition factories when the war ceases? The larger steel companies will no doubt run on other lines. But what of the smaller ones, numbering, I understand, over 400, and whose munition machinery will be scrapped? More than once the fortuitous position of some of Canada's largest industrial undertakings has been referred to as admirably situated for assisting the building of steel ships. I understand we can build steel ships in this country cheaper than they can south of the Line, and we can provide men to man them which they find difficult. Was there ever a time in the history of the world when so grand an opportunity offered to a maritime country with coal, iron and flux at her seaboard, to take up such an industry? In this matter British Columbia has made a beginning. A main desideratum in the building of modern ships we know to be steel plates. Besides the native iron and coal in millions of tons, we have steel mills at tidewater. This is surely a felicitous combination of requisites, as a starting point. But as in the case of preparing for the return of our sons-in-arms, so must we be well beforehand with any plans for shipbuilding; in both cases Government help will be necessary, and if railways can be richly assisted, would it be a great matter if the builders of steel ships were given the necessary initial support to secure employment for any released skilled and other labor to the end that an unexampled opportunity may be availed of.

It is surely the part of sanity to visualize our problems in advance.

May I say a word on the subject of general domestic policy? There never has been a time when conservation of all our means and resources was so plainly incumbent upon us as just now, when even the shadow of waste and extravagance means trenching on the criminal. The country has need for every dollar available. Needless purchases outside the country are a contravention of sound economic law. Great victories are being won equally in the financial field. Let everywhere a well-considered municipal and domestic policy support and strengthen the hands of those whose hard task may be measurably lightened by worthy and considerate economies.

The World War and Business in British Columbia

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The fishing industry will likely be seriously affected. The high prices now being paid for canned salmon and frozen fish in Great Britain will cease on termination of war. New markets will have to be found, and lower prices are to be expected; but with intelligence and determination some reasonable solution will surely be found.

Of the basic industries of the Province, the coming of peace will likely have a temporary adverse influence on two, mining and fishing; and the other two, lumbering and agriculture, will likely be stimulated, the former to a truly marked extent.

General trade and commerce are down to a consumptive basis. What peace has in store cannot be stated, but it would appear that after the first lull they may be maintained on an even keel.

The effect of the coming of peace on finance in British Columbia is too hazy to be ventured. Tremendous economic changes are certain to take place on the cessation of war, and what these will have on finance are too indefinite to be conjectured.

One really serious aspect of the conclusion of war in British Columbia will be the very tangled situation that will arise with regard to land contracts and mortgages, on account of the institution of a limited moratorium in this Province.