

# The Chronicle

## Banking Insurance and Finance

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### SIR EDMUND WALKER ON THE OUTLOOK.

Sir Edmund Walker, president of the Canadian Bank of Commerce, gave an interview last week which includes a number of interesting points and reveals the fact that the distinguished banker continues to hold optimistic views regarding the Canadian outlook. Sir Edmund pointed out that the fit time for the coming domestic loan would undoubtedly be after the moving of this year's crops. In this connection it is pointed out that the moving of the crop this year presents to financiers a different kind of task than has ever been dealt with before. In years past, the wheat crop has been largely marketed from the primary seller to the consumer by the drawing of large sums in advance from the European or other foreign buyers. This was possible, owing to the stable character of the pound sterling in London as a medium of exchange. Now the pound sterling is decidedly unstable, the only stable value being the \$1 in New York, which city is the acknowledged clearing house for European and American business on the North American Continent. This condition means that the Canadian banks can no longer finance the Canadian crops through European financial centres, but they are in the position where they must buy the grain direct from the farmers and hold it until such time as the foreign buyers can take it off their hands, paying for it as the Canadian banks want to be paid. The splendid crops this year incline financiers to the belief that the Western farmers will not only liquidate many of their debts, but will also prove good buyers of necessities.

#### THE WESTERN OUTLOOK.

Talking about the West, Sir Edmund Walker expresses the opinion that the West will be better off next year than it has ever been before. This, he says, may not be apparent to the superficial observer, but the fact remains that the prospects of the West were never so bright. He further contends that no kind of a mistake has been made in the West that wasn't natural and inevitable. "Infantile diseases," he characterizes the booms and resultant reactions. "It is nonsense to regret the expansion," he said, "but the West will never do just the same foolish things again, although she may do other things just as foolish. The main

trouble was that the whole West was opened to soon, with a tendency to scatter the people over too great an area of country."

Not only the West, but the whole of Canada is entering upon an era of prosperity, according to Sir Edmund. In support of this claim, he points to the fact that while in 1913 the trade figures up to March 31 showed that imports into Canada exceeded exports by nearly \$300,000,000, trade reports for the present year, judging from present indications, will show that exports will exceed imports to an amount sufficient to assist in taking care of interest charges amounting approximately to \$130,000,000. If Canada can go ahead without requiring huge new borrowings her credit will be better than ever.

The United States and Canada, after the war, will benefit at the expense of tax-ridden Europe. The American Republic will have an advantage over Canada in regard to indebtedness, but Canada has all her future ahead, with her magnificent resources practically untouched.

#### STRENGTH AND STRAIN.

(Continued from front page)

other, borrowing has to be arranged outside and the payments of interest and repayment of principal constitute a considerable drain upon a country's wealth—as in the case of Canada.

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Sir George's conclusion is that "it is evident that the British people, with the seas open to their commerce and with their income and their wealth undiminished by the war, are able to meet their great war expenditures, however long they may last." From this, it is not to be deduced that we in Canada may as well leave the business of financing the great war to the mother country—capable as she is of doing it—and not worry about mobilising our own resources by raising a domestic loan. This would be very foolish reasoning, since in mobilising our own resources, we shall be primarily doing a good turn to ourselves—lessening to that extent in the future the drain upon our wealth through the repayment abroad of borrowed money now being expended on military objects. Incidentally, also, the present strain upon the mother country will be lessened and we shall be doing what our own self-respect and instinct to do our utmost in the present day of necessity impel us to do.

#### DISCUSSING EXCHANGE PROBLEMS.

Hon. W. T. White, Minister of Finance, paid a brief visit to New York this week to discuss with Lord Reading certain proposals put forward with the object of avoiding heavy loss in exchange to the Dominion Government in the transfer of funds from London, and also the question of financing orders placed in Canada for shells and other munitions. The proposals made by Mr. White will go forward for consideration by the British Treasury.

Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, was also in New York at the same time as Mr. White.