

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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FEDERAL RESERVE BOARD

Criticism continues to come from well-posted quarters in regard to the United States Federal Reserve Board's famous "warning" as to Allied securities. The United States has probably felt by now the adverse effects of the little slip of its board (headed by Paul M. Warburg, the German banker) through the medium of cancelled war orders. Opinion, therefore, may be changing in the great republic. Sir Edward Holden, managing director of the London City and Midland Bank, a well-known international banker, said last week:—

"After the Allies had so handsomely contributed to the gold reserve of the United States, thus facilitating the exportation of American commodities to the extent of £1,913,000,000 between July, 1914, and November 30th, 1916, it seems difficult to understand why the Federal Reserve Board should have endeavored to place difficulties in the way of American bankers creating further loans, and particularly when they could have had collateral security for new loans."

Sir Edward expressed hope that new agency arrangements with the Bank of England and with France might be the means of clearing up any difficulties which might have arisen in the past and that the Entente Allies, after the great exertions they had put forth to increase the reserves of gold in America, would be enabled to take advantage of the increased loan superstructure. He also gave utterance to the hope that it also would be mutually beneficial in continuing to support British exchange in America.

Naturally, Sir Edward's suggestion is not kindly received in the United States. A New York critic says, for example, "We venture the guess that there are others in London more appreciative than Sir Edward seems to be of the facilities which the Allies have found here for the financing of the purchases which they have made in the United States for the good and sufficient reason that this

was the only country in the world in which the purchases could be made." But it never pays to exact the full pound of flesh. In a statement to The Wall Street Journal, Col. C. W. Rowley, manager at Winnipeg of the Canadian Bank of Commerce, said: "Commercial loaning rates in Canada do not fluctuate much. Money is a drug in the United States until foreigners want it. Then the price is high, even for your best and second best customers, England and Canada. Your foreign trade figures show that we are entitled to go to you with all the rights and privileges of best and second best customers. England loans to her customers without asking them to change their laws or business methods."

NATIONAL BUSINESS CONVENTION

The proposed national business convention, of which much was heard last year, is, it seems, to take place after all. It has been postponed so often that the impression became general that the conference would not be held. Sir George Foster, however, in a recent interview in London, said:—

"Much work has been done already, and more must be done yet before the proposed Business Men's Convention in Canada can profitably meet. Meanwhile, public attention has been drawn to the objects for which the convention would meet. At present everybody is very busy, and no one knows when the war will stop, nor what will be the conditions when it does stop. Everybody is thinking what can be done, but it is no good getting together until we have something definite to discuss. But in the meantime the matter has been brought to public attention, and no ground has been lost."

Sir George presumably believes that the nation's business men are thinking of this matter, but on the brows of very few can be seen the signs of hard thinking in regard to post-bellum problems. Everybody, as Sir George says, is very busy—but they are too busy to think of the problems we have to face after the war. That no one knows when the war will stop or what conditions then will be, are matters which, outside of military and naval phases, are not bothering the country. The initiative and preliminary plans of a successful national business convention must come from the government.

OUR MORATORIUM LAWS

That the moratorium laws of the western provinces need overhauling, is an opinion which is gaining ground in the West itself. A moratorium is designed for an emergency. It was general, and necessary, in European countries at the outbreak of war where war's effects are really felt. Here, in certain provinces, we have the emergency moratorium in a country enjoying the prosperity of war. Canadian moratorium legislation has largely been, not a war relief measure, but a method of temporarily overcoming difficulties created by our doings in the palmy, speculative days of nineteen twelve and thereabouts.

Recently a Calgary judge expressed himself strongly regarding the Alberta act. Now Chief Justice Hunter, of Vancouver, according to local press reports, has taken the view that the War Relief Act of British Columbia was perhaps sometimes used to cover a lot of chicanery, and that the sooner it was overhauled the better. Chief Justice