

than doubled as compared with the largest year before the war.

The financing of the war and of the industrial expansion which accompanied it was a heavy task. For years Canada had looked to Great Britain for a large share alike of public and of private borrowings. Now it became necessary not merely to find at home all the capital required for ordinary development but to meet the burden of war expenditure, and later to advance to Great Britain the funds she required for her purchase of supplies in Canada. The task was made easier by the effective working of a banking system which had many times proved its soundness and its flexibility. When the money market of Britain was no longer open to overseas borrowers, the Dominion first turned to the United States, where several federal and provincial loans were floated, and later to her own resources. Domestic loans were issued on an increasing scale and with increasing success, and the Victory Loan of 1918 enrolled one out of every eight Canadians among its subscribers. Taxation reached an adequate basis more slowly. Inertia and the influence of business interests led the Government to cling for the first two years to customs and excise duties as its main reliance. Then excess