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PATRIOTIC SAVING.

To be called upon to save as a patriotic duty is a new experience for the average man. Saving hitherto has been for him entirely a matter of self-interest. Stimulus may have come from out-side through one of those wonderful magazine articles in which the present-day owner of one hundred million dollars tells an awe-stricken interviewer how he (the millionaire) put in the savings bank the first ten cents he ever earned, from which ten cents the hundred millions is directly descended; or he may have been stirred by the lofty philosophy of Mr. Andrew Carnegie or the "virtue always gets its cash reward" biographies of the esteemed Dr. Samuel Smiles. More likely, the stimulus to the average man to save has come through the common place decision to get married. He may have been ambitious, or have had hankerings after what our impressive friends to the south call "big money." He may have wanted to start in business for himself or provide for his family or his own old age or stop working or a thousand other things. Anyway it is safe to say that when he put five dollars in the savings bank or placed another batch of bonds in the safe deposit vault, he never struck an attitude and ejaculated "my country, 'tis for thee."

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But the European war has changed all that. In Europe, and to a lesser extent the same principle applies to the British Dominions throughout the world, saving has suddenly become not merely a matter of self-interest but of patriotic duty. In England, the cables inform us, the rich are being exhorted to spectacular economies for the sake of example; the poor (or comparatively poor) are being bidden to save up a dollar at a time towards the purchase of a twenty-five dollar bond of the new war loan. The "pay, pay, pay" of fifteen years ago has been changed to "save, save, save"—not primarily for self, but in order to help maintain the financial equilibrium and prestige of Great Britain and the British Empire. Never before were self-interest and patriotic duty linked thus closely together.

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The war is now costing Great Britain something like \$15,000,000 a day. That great sum can only be raised by borrowing on the credit of the State from the individuals composing it who are able from their own wealth, small or great, to lend the money. The new loan provides for \$250,000,000; new

borrowing; additionally the State is obligating itself on certain conditions to repay, possibly within ten, certainly within thirty years, a vast amount of old debt. British Consols are held to be no more than an undertaking by the government to pay a fixed annuity in perpetuity—there is no obligation on the part of the State to repay. With the new loan, into which Consols may be converted, the case is different. The principal of this is repayable between 1925 and 1945, and the amount of Consols which are now converted will be thus paid off. For good and sufficient reasons, a burden beyond the bare cost of the war is thus being shouldered by the British tax payer. Before the recent war borrowings, the fixed annual debt charge of the British Government, without allowance for sinking fund, was some \$104,000,000; the new debt charges are estimated at over \$150,000,000 annually—that is something over \$250,000,000 yearly will be required to meet interest on the Government's debts alone, without any allowance for sinking fund. The burden obviously is a heavy one, but that it will prove too heavy is not yet to be feared, provided that personal economy and patriotic self-sacrifice will increase savings in order to meet the necessary taxation. It has been estimated that the ordinary savings of the people of Great Britain are from \$1,500,000,000 to \$2,000,000,000 per annum; obviously the doubling of those savings would help greatly in the solution of the problem. Hence the call to cut luxuries, on which a vast amount is in normal times annually expended, and save.

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Economic circumstances in Canada are widely different from those in Great Britain, but there are some good reasons why heed should be given to this call for patriotic economy, not least because Canada is vitally interested in the maintenance and further heightening of the financial prestige of the British Empire as a whole. Apart from that, it is to be remembered that the full weight of war taxation has not yet fallen upon us. The Dominion Government is making exceedingly heavy expenditures, which are being provided for at present, but will eventually have to be met by permanent borrowing and increased taxation to meet the annual charge following upon that borrowing. Pensions for the maimed and the dependants of those killed will run into very large sums of money. Again saving is necessary here in order that we may depend less than in the past upon

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