

cates, on sale at the branch banks and post offices, in denominations of \$25, \$50, and \$100, maturing in three years, and issued at \$21.50, \$43, and \$86 respectively, were placed on sale in January, 1917. In August, \$10 certificates were added, and it was arranged later that such certificates could be purchased in small instalments by use of the stamp-book method. Large numbers of these certificates have been taken. In connection with the fourth domestic loan, probably for \$150,000,000, to be issued in November, it is planned to make a much wider popular appeal, particularly to the prosperous farmer, than ever before. The sale in New York of \$100,000,000 two-year notes, bearing 5 per cent interest, and issued at 98, with $1\frac{1}{2}$ per cent to the underwriters, was the other important public borrowing of the year.

During the year advances to the British government for the purchase of supplies in Canada continued. On August 27, the Minister of Finance announced that up to that time \$285,000,000 had been advanced by the government and \$100,000,000 by the banks, to the Imperial Munitions Board. The government advances would continue throughout the year at the rate of \$25,000,000 a month. In addition, \$50,000,000 was advanced for the purchase of cheese, hay, oats, and flour.³ During 1916 the value of the output of munitions had been practically \$1,000,000 a day; the orders for 1917 would reach \$500,000,000, even though in some lines orders were lessening because of the ability of British factories to cope now with the situation unaided. Even so, the fact that the British government could buy on this side of the Atlantic only to the extent that it could raise money here would make it necessary to extend the same policy of government and bank assistance to the other main commodities exported to Britain.

The cost of the war for practically three years—to July 20, 1917—has been given by the Minister of Finance at \$623,000,000. Of this amount \$388,000,000 was spent in Canada and the balance in the United Kingdom and France. From April 1 to July 20 war expenditure in Canada amounted to \$39,700,000 and overseas to \$62,600,000, or \$917,000 a day: it doubtless now exceeds \$1,000,000 a day. By the end of the fiscal year the debt will be \$1,200,000,000 or \$1,300,000,000, against \$336,000,000 when the war began.

³In the month following this statement the banks advanced \$155,000,000 for the purchase of meat and wheat, and further large credits were foreshadowed.