

The Chronicle



Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXV. No. 45

MONTREAL, NOVEMBER 5, 1915.

Single Copy 10c
Annual Subscription, \$5.00

MR. WHITE'S OPTIMISM.

The confident tone of the speech of Hon. W. T. White, at the Montreal Canadian Club this week, will be noted with keen interest by business men throughout the Dominion. The Minister of Finance touched many interesting points, not the least interesting being the matter of the forthcoming domestic loan for the purpose of meeting the war expenditures of the Dominion Government. It is evident from what Mr. White said that the arrangements for this loan are already in a fairly advanced stage. The loan will be issued, in fact, at the end of the present month, whereas the general expectation has been that it would not be brought forward until at least the new year and perhaps February. It is evident, however, that the banks have been able to give satisfactory assurances to Mr. White that he need not wait until the bulk of the crop financing has been finally disposed of, but that he can act immediately with every expectation of success. As to the amount and terms of the loan Mr. White gave no inkling, beyond the intimation that the terms would be "reasonably attractive." This possibly means, we may suggest, that the Government does not intend to pay more than say $5\frac{1}{4}$ to $5\frac{1}{2}$ per cent. for its money, if as much, with perhaps conversion to a lower rate, either enforced or optional, at the end of a certain term of years. In this connection, it may be recalled that the recent Australian domestic war loan was at $4\frac{1}{2}$ per cent. While owing to the average run of interest rates being somewhat higher in Canada than in Australia, the Canadian Government will probably fix a rate higher than that paid by the Commonwealth Government, yet we believe that the Canadian people as a whole have no other desire than that the rate of interest should be a reasonable one, and that, given this, subscription to the loan will be regarded as a patriotic duty that will be gladly undertaken. Mr. White also intimated that he is considering the principle of payments upon the instalment plan, so that the small investor will have a chance of "doing his bit" in furnishing the sinews of war. Evidently,

indeed, Mr. White wisely intends to issue the new National War Loan on a basis that will enable almost everyone to have the satisfaction of subscribing to it, and unquestionably, if made in this way, it will be a success.

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In regard to the ability of the Dominion to bear any financial burden that the continuance of the war may impose, Mr. White took a cheerful view, emphasizing, however, the absolute necessity of a continuance of large increases in production and economy in consumption in order that wealth may be accumulated and made available to meet our war expenditures and carry on the development of the Dominion. Thus far, Mr. White pointed out, there is much to encourage us. The developments of the past year have been such that the Finance Minister believes that Canada's financial, commercial and economic condition is better now than it was at the outbreak of war. The change has been brought about through economies, both public and private, resulting in the reduction of our imports, while at the same time exports have been increased through extended production and the advent of the greatest crop in the history of the Dominion. Mr. White believes that Canada's agricultural production this year is at least three hundred million dollars more valuable than last year—and in "real wealth, not book values,"—while orders to the value of some five hundred million dollars are being placed in Canada for all kinds of war supplies. At the outset of the war, a heavy adverse trade balance had to be met, and the adjustment of this was helped not only by increased production but by additional borrowings in the United States, through which our holdings of gold were not only conserved but added to. At present, in addition to having a balance of trade in our favour, there are gold reserves in Canada \$25,000,000 in excess of those at the outbreak of the war. The facts stated by Mr. White constitute the economic foundation for the better feeling which is now spreading among the business community.