

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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TWELVE MONTHS OF WAR

A German banker, who had considerable interests in Canada, told *The Monetary Times* eleven months ago, with a German road map spread on the table in his Toronto office, that "within one month, the German army will be in Paris, and within six weeks, in St. Petersburg." This opinion was expressed by a man who had served in the German army and who, as he said, knew "what the German army can and cannot do." The prediction was not made either in any spirit of boastfulness. That was eleven months ago and the incident is indicative of the manner in which the people of the British empire may judge of the progress of British arms after a year of war. The Germans, after forty years' preparation for the crushing of at least the British empire, have not accomplished a tenth part of the schedule drawn up for the Prussian military machine. The British, after continual efforts to preserve peace, and without any notable military preparation, have put sand in the cogs of the Prussian machine. The road for that machine is gradually being made more difficult to travel. The first year of the war should bring satisfaction to the British cause, if only because the German rush for victory and spoils has been so effectively checkmated. Every month makes the British position better and the German position worse. There is no doubt as to the ultimate result, for, as Premier Asquith has said, Britain will fight to its last drop of blood and to its last farthing. Some hope that peace will come by events which will happen over night, changing the complexion of the war. These hopes are founded chiefly on desire. If the enemy has the financial, military, naval, and economic strength to fight for some years to come, and without arousing its people to a knowledge of where Germany is drifting, then the enemy will get a taste of British determination that will stand unrivalled in history.

Lord Kitchener was probably the only man who knew, when war was declared a year ago, what a big task faced this Empire. Three years was his estimate of its duration.

A third of that time has already passed without any warfare having been waged on German soil. Kitchener also stated that while he could not tell when the war would end, he knew that, so far as Britain is concerned, it would begin in May (three months ago). Observers, recently returned from Europe, state that it will last another year anyway; some say three years. The thing to do, then, is to accept the war as part of our daily life and cease to fret and fume about it. Every man who should his rifle for the British cause and every man who does his bit in other ways is strengthening British muscle and thus helping to shorten the struggle.

An analysis of the Canadian situation shows that the fears of a year ago as to what would happen in the next twelve months, now past, were groundless. The national position in Canada is good. In entering the second year of the war we may well have faith in, and work with increased zest for the British cause. The cause is also that of all neutral countries which for one reason or another, are sitting in the grandstand watching the strangling of militarism. As for the United States, there comes sometimes a wish that the much tossed attitude of neutrality could be governed more by strong support of Right. Every additional man who helps to punch a bully helps to put the bully out of business. For the present, financial and commercial ambition, the rapid acquirement of wealth, the German-American element, the natural desire to keep out of the struggle, the mixture of American politics, and the well-grounded fears of serious German riots in the United States in the event of war, are holding the United States back from war. The kaiser is confident that he can shoot a few more holes through Uncle Sam's hat before it makes the hair beneath rise to more than righteous indignation. That is one of the kaiser's very few consolations, but even that may pass.

Anybody can float with the current but it takes a real man to swim against the stream.

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Nothing whatever can be gained by pessimism. Have faith if only for the benefit of the rest of the community.

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At least we are much more sure of the Canadian business situation than the kaiser is of his war indemnities.

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"When it comes to doing the world's work," says James J. Hill, "cash and credit are related about as the fire shovel is to the steam shovel." In Canada the fire shovel has been classed until recently as an undesirable.

CANADA'S LOAN

Canada's \$45,000,000 loan in New York was made in a country whose president disapproved of loans by United States bankers to belligerents. The British government had to pay a few weeks ago 4½ per cent. for money and Canada got its loan at 5 per cent. The issue was immediately oversubscribed and is at a premium. It helped the international exchange situation, it relieved Great Britain of the necessity of financing this particular transaction, and it established Canadian credit in the United States in a very high place. It seems fair to conclude, therefore, that the criticisms of the loan are actuated by politics or unsharpened axes.