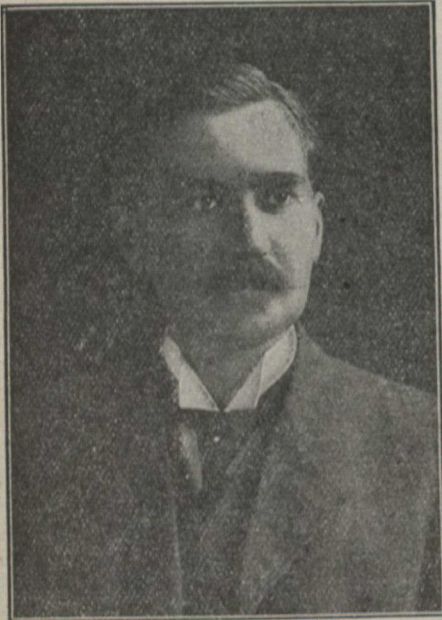


OUR VICTORY LOAN: \$150,000,000 Loan Should Be Twice Subscribed

THE reason that a very large sum of money is needed in Canada is that we must do our share in carrying on the war and financing our own commerce, and that there is no other country under the sun but Canada to which we may at present look for our requirements." This statement was made by Mr. A. E. Ames, chairman of the Dominion executive of the Victory War Loan campaign, in an address to the Toronto Insurance Institute. "Great Britain had



SIR THOMAS WHITE

Canada's Finance Minister, who will appeal next month for a War Loan of at least \$150,000,000

borrowed tremendous sums from her own people for war financing. She has had not only her own enormous expense for maintenance of the army and navy, but has had to make enormous loans to her allies. In addition to what she has borrowed from her own people, the exigencies of war have been such that she has had to borrow on a huge scale in the United States—that country having agreed to loan to Great Britain and its overseas allies a total of \$3,000,000,000 under stipulation that the money must be spent in the United States. To make this loan and to provide for her own heavy expenditures on her

army and navy, (including, of course, munitions and supplies), the United States is testing her own financial resources to the straining point; though, fortunately for civilization, the United States had become so rich during the last few years that her pockets are well filled. But although Canada has borrowed from the Americans, as before indicated, that borrowing market is shut to us entirely for an indefinite period.

"Canada, therefore, cannot, if she would still wish to, hold longer to the financial coat tails of any other nation, and must instead do her own financing. If we were not in a position to do this the future would look very black for us. In the midst of the gloom which the war has cast about us there is, however, one most satisfactory condition, namely, that Canada is richer, not only in her standing because of the vital help which her soldiers have rendered in the fighting, but is richer in material possessions.

"Her experience in this regard has falsified all prophecies made before the war. At that period it would have been incredible and was undreamed of that, after three years of war, deposits in the banks would be \$450,000,000 more than before the war commenced, and that during that time Canadians would have absorbed, in addition, \$300,000,000 of Dominion government securities, and that, despite the fact of the government having borrowed such enormous sums of money, the wealth of the country has become so much greater that Canadians, as a whole, have a bigger surplus over their debts than ever before.

"It is seen, therefore, that we need to get the money in Canada because we have nowhere else to get it, and that it is needed for our expenditures in connection with the war and for giving credits to Great Britain for the buying of our grain and dairy products and other foodstuffs. The question of exchange is more or less complicated, and it may be sufficient if it is mentioned only that there is no question but that Great Britain cannot continue to buy from Canada, practically except as we arrange that she buy from us on credit; that is to say, Canada as a whole will have to furnish

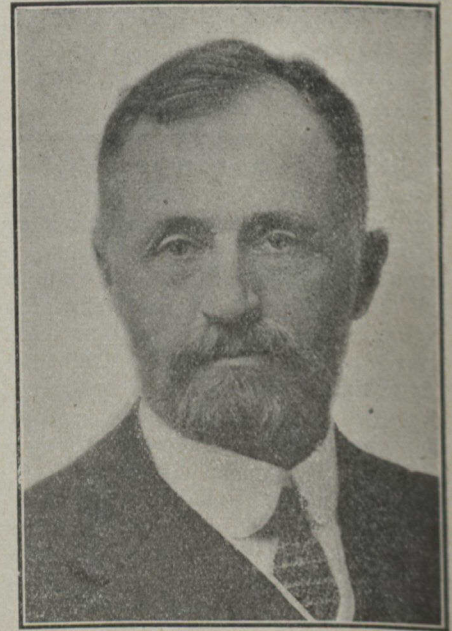
the money with which Great Britain can buy goods from our farmers and our manufacturers.

"Business in Canada prior to the opening of the war was very dull, and we should have had a very serious business depression following upon the stunning influence of war if there had not been placed in Canada a volume of war orders running into many millions.

"It is stated that the volume of war orders placed in Canada by Great Britain and the allies, of which, of course, the bulk has been by Great Britain, was over one billion dollars up to the end of last year, and will exceed one billion five hundred million dollars by the end of this year. It will be readily understood that the scale of expenditure by Great Britain and the allies is greater than ever, and, so far as Canada's commercial interest in that phase is concerned, we have only ourselves to look to to ensure that the great business activity that has prevailed during the last two years throughout Canada shall not be brought to a sudden halt, thereby dislocating all industries and creating at once a condition of stagnation and distress.

"The necessity of procuring a very large sum of money for the Dominion government should, therefore, be apparent to every class of the community—the farmer, to whom outside world prices for his crop would be of no interest if money were not available to finance the purchase of it; he would be in the same position in that regard as the Russian farmer with plenty of wheat but with no means of access to the world's markets, and to the Argentine farmer whose price for grain is so very much lower than that on the Northern Atlantic, because of the scarcity of ships and the prohibitive freight charge for any produce with a long carry. The necessity for raising a great loan should be clear, also, to the manufacturer and every other class in Canada, because of the reasons previously stated or inferred. Heretofore producers have not had to consider world finance in marketing. The thing has been done for them. Whether it was done in normal times by magic or otherwise did not occur to them. In this period of crisis, the problem of how our produce and manufactures can be financed should become our personal concern.

"The finance minister has had from time to time to borrow, temporarily, from the Canadian banks many millions of dollars. These advances he has, so far, been able to repay from time to time through proceeds of loans and through revenues. The finance department now owes a very large sum to the banks, and it is necessary that the Loan provide, not simply sufficient to pay for costs of the war and for credits for Great Britain for purchasing our produce and munitions, but, also, to pay off the Canadian banks. The finance department must keep itself sound with the Canadian banks, so that it can rightly ask and require from them temporary advances in very large amounts, to be again recouped them out of revenues and loans. While, therefore, it is essential that the objective of \$150,000,000, which will, perhaps, be indicated in the official prospectus, should be raised, it is also most important that, while the Dominion-wide organization which is looking after the Loan is in being, the utmost effort should be made to supply the government with a full \$300,000,000."



MR. A. E. AMES

Chairman, Dominion Executive Committee of the Victory Loan Campaign