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BRITISH WAR FINANCING.

While Canada is busily engaged in financing her own war expenditures through the medium of the new \$100,000,000 domestic War Loan, it is of interest to note what Great Britain has been lately doing in new steps towards meeting the infinitely greater burden of financing imposed upon the mother country. In this war Great Britain's enormous investments abroad have come to play a quite unexpected part. Prior to the outbreak of hostilities, they were regarded as securing to Great Britain a plentiful supply of foodstuffs and other necessities of life, as being essential to the extension of British trade and as assuring to Great Britain a permanent income estimated as being prior to the war about a billion dollars a year. Now it is seen that these investments constitute a "war chest" of incalculable value, immensely larger than the much talked of German war hoard at Spandau (which has probably been dissipated long ere this), and can be employed in a practical way for the financing of the enormous purchases abroad of munitions and foodstuffs necessitated by the war.

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Following the "mobilisation" of American securities held in London and their sale or pledge in New York, a new scheme has been lately developed to make available British-held securities of every part of the world. A considerable amount of those already assembled have been used as the collateral for the \$250,000,000 British loan in the United States lately negotiated. The British treasury borrows these securities for five years, paying for the convenience a commission of one-half of 1 per cent., the interest due from time to time being also, of course, remitted to the owner. Under certain conditions, the Treasury has the right to sell these securities, but in fact they are required merely as collateral and are not in the least likely to be sold except under conditions of extreme pres-

sure. The fact is that the British Treasury and British investors are not anxious to dispose of their foreign interests at bargain prices; still less are they desirous, in view of after-the-war possibilities to loose their hold of any foreign fields where financial interests have been securely established. At the close of hostilities, of course, arrangements will be speedily made for refunding or paying off the temporary loans recently negotiated in New York and the mobilised bonds will return to their London strong-boxes. The far-sightedness which marks this scheme is also seen in the fact that thus far only prior-charge railway securities (including some of those of the Canadian railways) have been included, so that even in the event of the remote contingency arising of the outright sale of these securities, British control of these railways would not be jeopardised. There is certainly no intention of letting go control, if it can be in any way avoided, of the vast undertakings in which British capital is interested all over the world. Some idea of the immense resources available to Great Britain for purposes of war financing in this way may be gathered from the fact that the first list of securities—mainly of neutral countries—which it is thus desired to mobilise represents a market value of no less than three billion dollars. This amount, of course, is only a relatively small portion of the market value of securities which can thus be mobilised in case of necessity.

UNIFICATION OF THE EMPIRE.

We publish on another page the text of a paper recently written by Mr. T. B. Macaulay, president of the Sun Life of Canada, on the subject of the "Unification of the Empire" with particular reference to Canada and the West Indies. The CHRONICLE commends Mr. Macaulay's paper to the careful attention of its readers as containing important and far-reaching suggestions towards the solution of a question that is likely to become increasingly prominent in the near future. As is well known, Mr. Macaulay has been keenly interested in the problem of Imperial Unity and the matter of closer relations between Canada and the West Indies for a number of years. Through frequent visits to the South, he has become thoroughly familiar with West Indian problems and for some time past has occupied the position of president of the Canadian-West Indian League. Readers of Mr. Macaulay's paper will find that he has applied the same gifts of statesmanlike foresight to this problem as have been so much in evidence in his building-up of the Sun Life to its present prominent position. It is a good augury for the ultimate solution of after-the-war problems of Imperial Unity that distinguished Canadian business men should be giving such keen and enthusiastic attention to problems of this character.