

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## THE NEXT WAR LOAN

Canadians will be asked to subscribe to another war loan during the coming fall. The amount will probably be \$150,000,000. As the third war loan has only recently been entirely placed with the ultimate investor, the natural market for the next loan is restricted. It will prove a big task to subscribe our fourth war loan. The people of Canada will have to help make the market for the issue. They have not been asked to make any financial sacrifices in subscribing to the previous issues. All the loans have been made according to prevailing financial conditions and have yielded the investor a substantial return. At whatever rate the finance minister decides to issue the next loan, it will have to be fully subscribed. The nation must have the money to carry on its share of the war and to help to bring the struggle to a successful and, if possible, a speedy conclusion. As it is imperative that the government should be provided with these funds for that purpose, it remains for the financial institutions, insurance and other companies, industrial corporations, individual investors, large and small, to do their part, co-operating with the authorities to make the war loan a success.

We cannot count on much help from the United States in this matter. That country is busy subscribing its own war loans. We will be compelled, therefore, to raise our war funds almost entirely in Canada. To each of the three previous loans, we received United States subscriptions of from \$25,000,000 to \$30,000,000. On this occasion, the amount will be very much smaller. On that account, and because we will practically have to create the market for the war loan, the task of raising \$150,000,000 will be a heavy one. It can be met only by the carefully planned preparation on the part of the finance department, using the assistance of every possible organization throughout the country.

Most savings and war loans campaigns have been conducted in a spasmodic and unscientific manner, the United States Liberty Loan and the British Victory Loan campaigns being notable exceptions. Our war loans have been successful in the past but we have reached a point at which the greatest possible organization must be arranged in order to raise the necessary funds. We need a comprehensive educational and organizing campaign to touch every part of the country, to appeal to every citizen.

A war bond should be held in every home. The government has the right to ask and to obtain the practical co-operation of every organization and citizen of Canada to make the next war loan a complete success and to place some of the loan with investors who have not previously purchased war bonds.

## ATTRACTION OF CAPITAL

While the United States acted as our banker for two years, the United Kingdom being closed to all except war loans, both the New York and the London markets are now practically closed to Canadian borrowing. This is a direct result of the war. War financing not only controls the financing of the United Kingdom and the United States but it dominates the position here also. After the war, it is hoped to raise in both countries considerable capital for development in Canada. As time goes on, we may count more upon the funds of the Canadian people to finance their own enterprises, but having in view the tasks of future development, the capital which can be raised at home is insignificant. We will have to depend for some years to come upon outside capital for the next era of active development, even although Canadian savings will take a greater part in the work.

That our taxation schemes and policies generally should be friendly to immigration and to capital is apparent. While our primary duty is to win the war and to see that a part of the cost is paid as we go along, we must see to it also that attractions to capital and labor, especially agricultural labor, are sufficiently substantial to compete with those afforded by other countries and by other parts of the British Empire. In a recent address to the shareholders of the British Empire Trust Company in London (a company which has invested \$300,000,000 in this country), Mr. R. M. Horne Payne expressed the hope that it would not be found, from a financial standpoint, that confidence in British institutions and laws in Canada had been misplaced, and that these afford the investor less just protection than those of other countries. He recalled that a spirit has manifested itself in certain parts of the Dominion which seems to show a very great deal less than fair play towards enterprise. This is the more regrettable as the Dominion parliament itself is always careful to treat British capital with fairness and consideration. "I hope," he added, "that just counsels may prevail, and that the rights of investors will receive fair protection in all parts of Canada; but should the contrary occur, the people concerned must not be surprised if they find after the war that fresh capital is unobtainable, and that existing loans and mortgages cannot be renewed." This reference to the radical legislation passed by various provincial governments is well timed. The governments are finding that, after all, much of the legislation is against the best interests of their constituents, their province and their country.