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THE THIRD WAR LOAN.

The third Canadian War Loan is to be launched next Monday, with the hope that it will reach that measure of full success achieved by its predecessors. The loan's triumphant flotation will constitute not only a message to the outside world of Canada's unflinching determination to pursue the war until the Allies' aims are achieved, but it will form also a valuable testimony to the Dominion's unhindered ability to take its share in the necessary financing of the struggle. The exact terms of the loan will naturally not be generally known until the actual issue of the prospectus. But there is a widespread impression that the loan will be for \$150,000,000, in 5 per cent. twenty-year bonds, free, as usual, of all Canadian taxation. It is thought also that principal and interest will be repayable in gold in New York, as well as in the Canadian centres. The main points then on which the new loan is likely to differ from its predecessors, are in amount, length of currency—twenty years compared with fifteen and ten years in the cases of the preceding loans—the fact that the loan will probably be payable in New York, and, most probably, the price. Whatever that may be, the loan will undoubtedly yield an extremely attractive rate of interest for a security of its class.

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The making of the loan payable both as to principal and interest, in New York, will undoubtedly encourage a considerable volume of American subscriptions to the issue. In the case of both the preceding loans, which were payable only in Canada, the volume of American subscriptions was by no means negligible, and the third loan will probably show a marked advance in this connection. In this way, two ends will be served. Exchange, which has been running against Canada through the holding-up of grain shipments, will be corrected, and a certain amount of borrowing will have been done in the United States at a time when owing to the uncertainties of the international situation, borrowing in that market by means of a formal issue would probably be a decidedly ticklish operation. Presumably, the Minister of Finance will be making an issue in New York before August, when a maturing issue of \$20,000,000 notes has to be taken up. But there is no immediate haste on that account, and the present loan will secure American funds without the trouble of a formal flotation in the New York market.

It is much to be hoped, however, that the making of the present loan payable in New York will not lead to any slackening of effort on the part of Canadians to subscribe as large a proportion of it as possible. A London banker remarked in connection with the recent British war loan that what was wanted was not hundreds of millions but millions of hundreds. The British Treasury got them. In Canada, we ought to have thousands of subscriptions ranging from a hundred dollars up to say \$25,000. To the first domestic War Loan there were 25,000 applicants; to the second, 35,000. Fifty thousand is not too large a number to expect in the case of the present loan, bearing in mind the high, if temporary, degree of prosperity at present existing among large sections of the population and the unexampled wages that are being earned in many quarters. The safe putting by of a fair proportion of these wages is not only an individual but also a patriotic duty, that, incidentally, will be handsomely remunerated.

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Thus far, the financial burden of the war upon Canada has not been a heavy one. In fact, probably the net financial effect of the struggle has been the Dominion's benefit. In these circumstances, it is more difficult than it would otherwise be to realise the importance and necessity of present-day thrift and saving, and their practise as making a vital contribution to the Empire's cause. Mr. H. A. Richardson, the general manager of the Bank of Nova Scotia, very wisely remarked the other day:—"What we have to realise more clearly is, that virtue for us lies in actual individual self-denial, and that our duty has not been done if our contributions to the common cause fall short of that. National effort is not enough; it must be impressed upon our people by every possible means that the great need of the moment is personal economy, even in small things, that every dollar saved is a dollar contributed to the great cause for which the Empire is struggling, and that nothing else will do. Such personal economies, if individually unimportant, would, if universally effected, be mighty in the aggregate, and they might well prove to be the last but indispensable requisite for the victory to which we all look forward with confidence." If these truths could be generally realised, there would be not only no doubt as to the triumphant success of the coming War Loan, but immense funds available for the Canadian Government's day-to-day war financing, and for other subsequent long-term loans.