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THE WAR LOAN'S SUCCESS.

The gratifying fact about the success of the third Canadian war loan is the progressive character of that success. The subscriptions to the third loan have largely exceeded in amount the subscriptions to the second loan, as the latter in turn surpassed the subscriptions to the first loan. In November, 1915, the Minister of Finance asked for \$50,000,000 and was offered \$102,000,000; in September, 1916, he asked for \$100,000,000 and was offered \$206,000,000; in March, 1917, he asked for \$150,000,000 and, while the exact details are not yet available, the Minister appears to have been offered fully \$250,000,000. Canada's willingness and ability to make her dollars fight have expanded largely as the war has gone on. Developments in this connection have been possibly the most astonishing landmarks in the wonderful record of Canada's participation in the great war. The successful flotation of these successive loans marks a development which, under other circumstances, would not perhaps have come about for half a century. The effect of the present success in relation to the problems which lie before the Dominion cannot but be very marked. There will be a confidence resulting from the consciousness of financial strength and of financial achievement, which otherwise would be lacking. The immediate effects of these loans are of prime importance. By their means, Canada, in supplying her own needs, has been able to render very potent aid in the financing of the Allies' cause. But their later results also should not be overlooked. Sir Thomas White has pointed out that the present success will materially enhance our financial prestige and strengthen our credit in foreign money markets. As a means of education in investment, these loans have contributed notable service. After the war, thanks to the admirable service performed by the bond houses and the educational campaign undertaken by the newspapers, there will be thousands who will have the investment habit, which otherwise would probably not have developed. It would not be therefore surprising if, when the war is over, there is available for direct application in the financing of our own developments, proportionately considerably larger funds than in the years preceding the

war. Meantime, we may be certain that if the Minister finds a further long-term issue necessary, he will again be offered much more than he needs.

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That the banks have again been relieved of their underwriting is particularly gratifying, in view of the duplication of credit and its resultant evils involved in the banks' subscriptions, and the desirability of the banks' continuing to maintain as liquid a position as possible. The fact that the loan has been taken up without the employment of bank credit, except by way of loans to individuals or corporations who were subscribers to the issue, is an evidence that our war financing is being conducted on sound lines. The new loan will result, not in the duplication of credit, but merely in credit changing hands. The banks will now be free for the next few months to devote their entire attention to the financing of the country's commerce and the affording of such further help in the financing of munitions' credits as is within their means. It is generally understood that the banks have agreed to repeat last year's financial aid to the British Government by loaning a further \$100,000,000 to the Imperial Munitions Board during 1917. It should not be overlooked also that the banks may at any time be asked to undertake further novel duties in connection with financial and commercial developments arising from the war. The great extension of the ship-building industry which it seems likely will be undertaken in the Dominion, will probably call for support from the banks, while existing high prices result in considerably more funds than formerly being required to move a given amount of grain, and in similar operations.

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There is an impression in some quarters that while American subscriptions to the recent issue were substantial, investors south of the line have not invested so freely as might have been anticipated in view of the fact that principal and interest were payable in New York. The idea is that they held back in order to be prepared to subscribe heavily to war issues of their own Government. However that may be, it is very possible that a considerable amount of the bonds will gravitate over the border after allotment to Canadian hands.