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THE LENGTH OF THE WAR—AND AFTER.

Mr. W. D. Lighthall, K.C. has published this week a synopsis of opinions regarding the duration of the war, which makes interesting reading and should cheer up those business men who have hitherto resigned themselves to what has appeared an inevitable conclusion that the present mammoth struggle must cover a prolonged period, a year at least, perhaps several years. Mr. Lighthall very rightly attaches more importance to the views of economists on this question than to those of purely military men. The economist is able to take a wider outlook and to bring into consideration vital factors, which the military man with his more specialised view-point would ignore. Under the conditions of modern war on the grand scale, purely military considerations are not in themselves decisive evidence regarding the duration of a particular struggle. Considerations of how long the weaker party financially can stand the strain, of food supplies, of exhaustion of general resources, need also to be borne in mind; and may indeed be the really decisive factor.

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Military opinions which have been given on this subject have usually been in favor of a long war—a year or over. Lord Kitchener himself is alleged (by the newspapers) to have said the war would last 18 months, which report we may take the liberty to disbelieve. On the other hand, the highest economic authorities in both London and Paris agree in the opinion that the war will last only six or seven months—that is to say that it will be over in the spring, if not before. Monsieur P. Leroy Beaulieu, probably the most distinguished of living economists, has given the opinion that the war should end about seven months from the 1st August, in other words, about the 1st of March next. The London *Economist*, which is not given to excessive optimism, estimates that the resources of Germany will be exhausted in about six months from the beginning of the war.

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These opinions that the present struggle will be a comparatively short one are shared generally, we believe, by the London financial community. Certain

it is that several weeks ago, when from the purely military point of view, the prospects of the allies looked considerably less promising than at present, London financial circles were talking quite confidently of the war being over by Christmas and making their arrangements accordingly. That opinion may have since been modified, but it is certain that London has no misgivings that its immense business as the financial centre of the world will be held up for an unduly prolonged period by the present events.

In any case, whether the war ends with the present year or in the spring, it will be followed by a tremendous volume of new borrowing in the London market, and an enormous output of new issues, not merely war loans and issues consequent upon the war but also issues of an ordinary type which in the meantime have been hung up. The advance guard of those issues will probably appear before peace is declared. We are not inclined to share the lugubrious views which are frequently heard on the street and appear in the press as given by people of some prominence in regard to Canadian borrowing at the close of the war. It is said that Canada cannot hope to borrow so successfully in the London market at the conclusion of the war as in the past. We believe on the contrary that she will be able to borrow quite as successfully though not so cheaply as before, and that there will be an ample supply of funds available from abroad for our needs.

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Altogether too much stress is laid by many upon the supposed absorption of all London's surplus supplies of capital in war loans, and the like. The simple facts are that the whole series of war loans which will be issued following the present struggle will not be sufficient to absorb for any perceptible period the British nation's immense surplus wealth, which is constantly accumulating, wars or no wars, and that most of those private investors who absorb Canadian issues of all kinds would not touch a war loan, for the simple reason that it would not return them a sufficient yield. On the other hand, Canada as a borrower in the London market at the end of the war, will have, we believe, substantial advantages. Within recent years the British investor has been sending his surplus funds all over the world; following this war, there is likely to be a distinct move for investment within the British Empire. This move-

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