

Distribution of the War Loan

The Province of Quebec heads the list as regards size of the average subscription. Toronto also had its share of large individual subscriptions

By H. M. P. ECKARDT.

As the record of subscriptions to the great Victory Loan is now practically complete, an analysis of the flotation may now be made. The Province of Ontario, including Toronto, provided roughly one-half of the subscriptions; Quebec, including Montreal, accounted for nearly one quarter of the whole, the four western provinces, one-fifth of the whole; the three Maritime Provinces, one-sixteenth of the whole. There are considerable variations as regards the size of the average subscription, and the average per capita as reported by the different provinces. These can be shown most conveniently by means of a table:

Province.	Population.	Total Subscriptions.	Number of Subscriptions.	Average Subscription.	Amount Subscribed Per Capita.
Ontario	2,700,000	\$201,555,500	303,866	\$663	\$75
Quebec	2,400,000	94,147,100	123,412	763	39
New Brunswick	350,000	10,250,000	20,000	513	29
Nova Scotia	500,000	18,066,250	37,497	483	36
Prince Edward Island	90,000	2,313,450	4,946	472	26
Manitoba	600,000	31,769,850	75,791	419	53
Saskatchewan	700,000	20,000,000	55,000	364	29
Alberta	600,000	15,969,100	52,983	302	27
British Columbia	430,000	17,820,500	45,834	389	41
	8,370,000	\$411,891,750	719,329	\$573	\$49

According to these figures Manitoba shows the greatest number of subscribers relatively to population. Roundly one person out of eight took a Victory Bond in Manitoba; in Ontario the ratio is one to nine, in British Columbia, one to about 9½; in Alberta, one to eleven; in Saskatchewan and Nova Scotia, one to thirteen; in New Brunswick, one to 17; in Prince Edward Island, one to 18; and in Quebec, one to 20. Naturally the leading cities show a better ratio than the provinces in which they are located. Taking Toronto's population as 500,000, practically one person in four, took a bond. This means one in every family on the average basis. And taking the population of Montreal City and Island as 700,000, the 98,000 subscriptions turned in represented practically a bond for every 7 people. In the large cities the potential subscribers are compactly located within a small area, and are therefore much more accessible to the teams of canvassers. There is a striking difference between Ontario outside of Toronto and Quebec outside of Montreal; in the relative number of subscriptions. Ontario reported 175,000 subscriptions to 2,200,000 population, or a ratio of one to thirteen; and Quebec reported 25,411 subscriptions to 1,700,000 population, or one to sixty-seven.

QUEBEC LEADS.

The Province of Quebec (including Montreal) heads the list as regards size of the average subscription—this being \$763 in the case of Quebec, as against \$663 in the case of Ontario. Huge subscriptions by the great corporations, and large amounts taken by wealthy families, many of the latter being French-Canadians, are responsible, of course, for the large average. For example, the Canadian Pacific subscription of \$10,000,000 and the Sun Life subscription of \$5,000,000 by themselves served to boost the size of the average Quebec subscription by about \$120. Toronto also had its share of large individual subscriptions—one (the Canada Life) being for \$5,000,000—which helped to increase the average. The western provinces, especially Saskatchewan and Alberta, have not so many head offices of great corporations—the subscriptions taken there would mostly represent those of business men, wage earners, salaried men, and farmers, with a few capitalists. In considering the comparatively small amount per capita subscribed by these provinces, it is to be remembered that the distances to be covered in order to get in touch with individual farmer subscribers, are very great; also the point that many of the farmers have taken up their land, but recently, and have not yet got fairly on their feet. When a western farmer has a considerable amount of outstanding debts to implement companies, storekeepers, banks and mortgage companies, perhaps bearing interest at from 8 to 12 per cent, it is not reasonable to expect him to take any important amount of Dominion bonds yielding 5½. The returns from Manitoba, Saskatchewan and Alberta indicate, however, that the well-to-do farmers—men with farms largely paid for and money in the bank—came forward with their subscriptions in large numbers. In the matter of per capita subscriptions,

Manitoba ranks second, counting the whole Dominion, and British Columbia is third. The amount of new bonds issued in connection with this loan will far exceed the record for any of our preceding domestic loans; and in view of the large amounts taken by every section of the country, it will be interesting to watch the effects produced upon the monetary situation in each province as the successive instalments are met. Of course it will be the case that the principal responsibility for providing the money will fall in the end upon Montreal and Toronto. The principal monetary centres usually have to do the

greater part of the financing in connection with national loans of this description, and when the banking system is centralized to such an extent as prevails in Canada it means that the centres are required to do practically all of the financing. Thus when the branches in a certain province receive subscriptions, with the initial instalment, the money goes to credit of the Minister of Finance probably at a central branch; and the process is repeated with each of the succeeding instalments. Subsequently, when the proceeds of the loan are disbursed by the Minister, he draws upon the central account in case of each bank and the bank drawn upon probably settles the debt, in the last analysis, by means of legal tender paid to the clearing house at Montreal or Toronto.

THE EFFECT.

In considering the effect of the loan on our money markets, it should be remembered that the first large disbursements of proceeds will be in the form of repayments by the Dominion Government of loans received from the banks. Sir Vincent Meredith, at the Bank of Montreal meeting on December 3rd, explained that the banks have loaned the Imperial Government \$100,000,000 to assist in purchasing the Canadian spring wheat crop; that they are also carrying \$160,000,000 of British Government obligations in connection with the munition purchases; and that the advances to the Dominion Government for war purposes now aggregate \$147,000,000. Apparently, therefore, the banks have provided, altogether, for the rise of the two governments, something like \$400,000,000. The \$100,000,000 loaned to buy the wheat is represented by wheat security, which when taken over and paid for will liquidate the loan. Perhaps it will be necessary to carry the munition loan for a further term—although it should be noted that the treasury notes representing this loan begin to mature on January 1st, 1918. It may be safely assumed that the Victory Loan proceeds will be applied to greatly reduce or clear off the Dominion's war debt to the banks. The indications are that a considerable number of the large subscribers will pay up in full on January 1st. These payments, along with the 20 per cent, which will then have matured in case of the other subscriptions, will provide the Government with funds to make a substantial reduction of the bank debt.

It would not, therefore, be strange if the monetary tension at Canadian centres showed a noticeable relaxation in January. One would think that the stock-brokers then might feel assured of a more cordial reception on approaching the bankers with requests for loans on stock market collateral. If circumstances so develop, probably the recently established list of minimum prices of Canadian stocks could be thrown into the discard, and freedom of trading restored. If the war developments are such as to make it necessary to readjust prices of Canadian securities upon a lower level, then the values will go to a lower level notwithstanding any arbitrary action which the stock exchange authorities in Montreal and Toronto may take. Otherwise there would be

no market for the collateral which secures the call loans of the banks—and that is only another way of saying that the brokers could not get any new loans on that collateral. After the Dominion Government has cleared off its banking loans, the remaining instalments of the Victory Loan should suffice to keep it in funds until past midsummer at any rate. There may not be any necessity for another domestic war loan until the fall of 1918.

BACON AND BREAD CHEAPER IN CANADA.

Why are Canadian bacon and bread made from Canadian wheat, cheaper in Great Britain than in Canada? was the question that was answered by Hon. W. J. Hanna, Food Controller, in an address delivered before a meeting of May Court Club, a social and charitable organization at the Chateau Laurier, Ottawa.

"Bacon is not cheaper in Great Britain," declared the Food Controller. "Bacon costs more in England than in Canada by the amount of the cost of transportation from this country to Great Britain."

STAPLES HIGHER IN BRITAIN.

He quoted average figures from the National Food Bulletin as issued by Lord Rhondda, Britain's Food Controller, as follows, showing higher prices in Great Britain for leading staples:—

	Canadian.	British.	Difference, per cent.
Milk	10 1-3c	14c	35½
Eggs	51c	85c	66 2-3
Bacon	42c	57c	36
Round steak	28 1-3c	52½c	85
Oatmeal	6½c	10c	54

Similarly he quoted average prices of leading commodities to show that the assertion that food costs consumers more in Canada than in the United States is absolutely wrong:—

	Canadian.	American.	Difference, per cent.
Potatoes	\$1.74	\$2.71	56
Bread .....	.07	.11	47
Bacon .....	.43	.48	12
Beef .....	.29	.30	5
Butter .....	.50	.51	2
Rolls oats .....	.07	.09	28
Rice .....	.09	.11	21
Fish .....	.18	.23	27
Cheese .....	.30	.35	16
Milk .....	.11	.12	9

In four notable cases only were American prices lower, namely:—

	Canadian.	American.
Lard .....	.32	.31
Sugar .....	.11	.10
Eggs .....	.54	.49
Coffee .....	.40	.31

"It may startle you," said Mr. Hanna, "if I tell you there is not to-day in the United States one bushel of exportable wheat, allowing for a basis of normal consumption. Between now and next harvest it will be necessary to deliver on the other side of the Atlantic 450,000,000 to 500,000,000 bushels of wheat. The amount of wheat in the United States to-day is only 500,000,000 bushels, and that is no more than the United States would eat before the next harvest. Mr. Hoover has set himself to save 100,000,000 bushels out of normal consumption. That means a saving for every man, woman and child of one-fifth the amount of flour he or she usually consumes."

"In Canada we have to-day about 100,000,000 to 110,000,000 bushels of exportable wheat. If the United States can save 20 per cent, and we can save 20 per cent, it will leave about 220,000,000 bushels to send across to our armies and our allies."

"It is important that 220,000,000 bushels get across the Atlantic within the next four or five months. It is unlikely that Argentine wheat will find its way across until the new ships building in the United States are ready, and so the people of the United States and Canada are asked to liberate one-fifth of their normal supply of wheat or flour."

The effect of the hotel regulations was referred to by the Food Controller. The saving of beef for October, 1917, as judged by returns from the larger hotels and restaurants which kept businesslike track of the foodstuffs used, showed considerable percentages, as compared with October, 1916, as follows:—

Beef saved—Halifax, 20 per cent; Quebec, 37 per cent; Ottawa, 24 per cent; Toronto, 44 per cent; four Ontario cities, 48 per cent; Winnipeg, 46 per cent. The average for 33 of the large eating houses in the Dominion was 55 per cent.

Bacon saved—Ottawa, 33 per cent; Toronto, 67 per cent; Montreal, 67 per cent; Winnipeg, 50 per cent; Regina, 47 per cent. The average saving was 44 per cent.

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