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THE NEW WAR LOAN.

Undoubtedly the circumstances under which Sir Thomas White floats his second domestic war loan of \$100,000,000 are more favorable than those surrounding the first triumphant experiment made last November. The fact that such an operation has emerged from the experimental stage is itself an advantage. Taking bank deposits as a measure of the country's resources, it is seen that between October 31st last, prior to the issue of the first war loan, and July 31st, the notice deposits of the banks increased by over \$88 millions from \$701,336,850 to \$789,363,919 and the demand deposits by practically \$40,000,000 from \$392,042,193 to \$431,958,188. The increase in notice deposits alone is almost sufficient to provide the funds which the Minister of Finance now calls for. The banks, it is generally understood, stand ready to take half the loan, should that be necessary. The insurance companies and other large institutional investors can be confidently relied upon to do their full share in support, probably in the case of the life companies to a greater extent than they are compelled through the compulsory investment clauses in the last Budget. It is said that the demands of the Business Profits Tax upon some commercial and industrial firms are such as to preclude their support of the loan to the same extent as they supported the first loan, but on the other hand the liquid position of many of these corporations has immensely improved since last November, and large subscriptions from them may be anticipated. With the individual investor, small and large, a spirited campaign of education has been lately under way by the bond-houses in anticipation of the loan. Public-spirited, this campaign might well be called in view of the small commission allowed the bond-houses on business secured by them. The results of this campaign should be clearly visible in the subscription list, and it may be anticipated also that a good many private investors, who tried the experiment of subscribing for the first war loan, will be glad to repeat the experience. While owing to the novelty of these loans having worn off, enthusiasm may not be so obviously in evidence as on the

occasion of last November's loan, there is of course, no doubt of its full subscription. Canadians are intent to show that their determination to make every possible effort in the common cause of the Allies has not weakened.

The loan's success will constitute another landmark in Canadian economic history, and make an enheartening message to the remainder of the Empire and to our Allies. Before the war is brought to a victorious conclusion, doubtless still further demands will be made upon Canada's purse, not merely to support our own fighting forces but also to provide for continuance of the activity in munitions making which has grown into such an important, if temporary, factor in the Canadian economic fabric during the past two years. In the last twelve months the fact has been recognised, through the extension of credits to the British Government by the Dominion Government and the banks, that our financial duties in war time do not cease with provision for the maintenance of our own armies, but must extend to active support of Great Britain. Probably in the early future when the war loan has been got out of the way, there will be further announcements of financing of the Imperial Munitions Board. It is hinted also from Ottawa that there is likely shortly to be inaugurated under the joint authority, perhaps, of the Dominion Government and the banks, an energetic campaign in the interests of thrift. Such a move is undoubtedly much to be desired. The efforts so far made in this direction by the Dominion Government have been singularly ineffective, with the result that a very fair proportion of our people appear entirely unaware of the duty of war-time savings, and go on wasting as usual while their neighbours are making the greatest sacrifices. It is important to recognise that Canada's financial war duty will not end with the successful flotation of the second War Loan, important as that event will be, and that the duty of public and private thrift and restriction of unnecessary expenditures presses as much now in these days of industrial activity as it did in the days of depression in the autumn of 1914—for patriotic and not for selfish reasons.