

## FINANCING THE WAR

## How the Nations Are Doing It—What Will Be the Cost?

The money markets are being kept so busy financing the war that there is little room for everyday issues. By spring, Canadians under arms will probably total 100,000. The daily cost of maintaining such an army will be about \$250,000, not counting the cost of equipment, etc. The war may cost Canada during the next 12 months, should it last so long, at least \$100,000,000. Canadian financing, however, is being achieved with great success.

## French "Baby" Bonds.

French papers state that the government is to issue a war loan embracing Treasury bonds in denominations as low as 100, 200 and 1,000 francs. "These bonds," writes the London Economist's Paris correspondent, "are sure to be readily taken up. Hundred-franc notes can hardly be quoted; in a few days they will probably pass into currency as 100-franc notes, a more convenient and portable form of wealth than the assets which many people had hidden in their houses at the time when a siege was feared."

The war, one English financial critic notes, has lasted 66 days, and the government has borrowed for short terms altogether £75,000,000. There remains, therefore, of the vote on account £25,000,000. He adds:—"In other words, before Christmas time the government will have to apply to Parliament for a fresh vote. The probability is that the cost will increase rather than diminish, because we have already an army of about a million of men, and probably, before the spring, will have increased to a million and a half."

## Cost of the War.

On the basis of the French and English official data regarding the daily average costs of the war to those governments to date, a minimum estimate was given recently, of \$30,000,000 expenditure per day, by all the combatants combined. The London Economist, using another basis of estimate, reckons the daily outlay at \$50,000,000. It says:—

"According to a Swiss computation, there were in Europe at the end of August about 20,400,000 men actually under arms. At the beginning of October Germany (on the same authority) had under arms 27 army corps of her regular troops and an equal number of reserves, making a total of 54 army corps—say, 2,160,000 men. Of these, 24 army corps were in France, six in Belgium and Alsace, 13 in East Prussia, and 11 between Thorn and Cracow. There are, in addition, assumed to be 1,500,000 Landsturm and volunteers serving in the interior, while 600,000 fresh recruits are reported to be in training sufficiently advanced for them to be ready for service in November.

## Even the Neutral States.

"Even the neutral States it was estimated, had mobilized more than 2,000,000 soldiers on a war footing. For each soldier, including initial and consequent expenses, ten shillings per day is usually counted in an estimate. This gives a total daily war expense in Europe of over ten millions sterling. Of this Germany would provide for some £2,200,000 per day, Austria, for £1,600,000; Russia, for £2,100,000; and France, for £1,600,000. Even Switzerland was then spending some £60,000, and Holland probably £100,000."

The Economist's estimate brings the assumed daily average close to the highest European estimate published before the war, which was \$54,000,000; but with Italy also assumed to be at war.

## COMPANIES INCREASING CAPITAL

The following company with a Dominion charter has increased its capital stock:—

Swift Canadian Company, Limited, from \$1,000,000 to \$3,000,000.

The following company in Ontario has increased its capital stock:—

The High Park Dairy, Limited, from \$40,000 to \$50,000.

A pessimist is the man who sees the war and not the after.

## COMPANIES LICENSED

The following company has been licensed to do business in Manitoba:—

Standard Ideal Company, Limited.

The following companies have been licensed to do business in British Columbia:—

Boulter, Waugh, Limited, of Montreal. Colonial Brewing Company, Limited. The Famous Players Film Service, Limited. Robinson, Little and Company, Limited, of London, Ont.

The following company has been licensed to do business in Ontario:—

Fraser, Brace and Company, Limited. (Dominion charter), capital, \$40,000.

## RAILROAD EARNINGS

The following are the railroad earnings for the first two weeks of October:—

## Canadian Pacific Railway.

	1914.	1913.	
Oct. 7 . . . . .	\$2,273,000	\$3,145,000	— \$ 872,000
Oct. 14 . . . . .	2,226,000	3,298,000	— 1,072,000

## Grand Trunk Railway.

Oct. 7 . . . . .	\$1,008,265	\$1,088,759	— \$ 80,494
Oct. 14 . . . . .	1,012,328	1,083,182	— 70,854

## Canadian Northern Railway.

Oct. 7 . . . . .	\$ 563,900	\$ 575,600	— \$ 117,000
Oct. 14 . . . . .	493,900	593,700	— 98,800

## HAS BERLIN MARKETED C.P.R. SHARES?

A letter from Amsterdam published in the New York Evening Post, gives some rather interesting details of how Berlin has succeeded in marketing Canadian Pacific Railway shares in London and New York, notwithstanding the stringent regulations which have been put into force to prevent German selling at the expense of London. The letter in part says:—

"Arbitrage business is not quite as dead in this country as one might suppose; only instead of being carried on between Amsterdam and New York it is being done between Berlin and London, and works out as follows:—Our firms here went short of stock in London, borrowing the stock there for immediate delivery. They subsequently bought the same stock in Berlin, this stock being shipped from Berlin to Amsterdam, and then from Amsterdam to London; where it was used for returning the borrowed stock and obtaining the proceeds of the previous sale. The proceeds were then transferred from London to New York and used there for German purchases of American goods. Some of these transactions have been done with such margins as to leave a profit of more than 2 per cent. for the Dutch middleman. The transactions have probably totalled £600,000. I understand several New York firms have done the same transaction. These transactions were handicapped through the restrictions imposed upon trading in London. They were done principally in Canadian Pacific shares, and resulted in a decline of several points and in a sympathetic decline of the whole American market. The London Stock Exchange authorities got so alarmed that they have now put up the closing prices of July 30 as minimum prices. But although these transactions are thereby greatly hampered in stocks, they are merrily going on in bonds where they are carried in Dutch and especially in New York names."

The grouch in Canada is a cynic, maybe out of a job, and certainly out of his element.

England is struck by the manly, confident bearing of the Canadian troops, none of the business funks being in line.

The Great West Saddlery Company, Winnipeg, has secured a large contract from the government for the supply of army saddles.