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THE BANKS' CREDIT TO THE IMPERIAL GOVERNMENT.

The announcement of the completion of arrangements whereby the Canadian banks will extend a credit of some \$75 millions to the Imperial Government for the purchase of munitions in Canada is of importance in more than one respect. Following this arrangement, it seems that further large orders will be given here by the Imperial Government, thus ensuring for a further period a continuance of the industrial activity which has arisen as a result of the war. The arrangement will also have an important effect upon the future of our international financial position, and will serve to strengthen it. It is especially desirable that every effort should be made at the present time to keep within bounds our indebtedness abroad, in order that when a new crisis comes upon us and another radical re-adjustment is necessary, as seems inevitable at the conclusion of peace, we may be prepared and able to pull through successfully. In this respect the present credit and the former credit granted through the over-subscription of the Dominion War Loan will perform an important service. Together they amount to \$125 millions. It was stated a short time ago, that the amount of the Imperial Government's advances to the Dominion Government in the early months of the war aggregated \$135 millions. So that our credits to the Imperial Government now practically offset the earlier loans to us for war purposes by the Imperial Government.

A yet further aspect of this matter is that by extending this credit the banks are rendering an extremely valuable service to the Imperial Government and to the cause of the Allies. Their aid is the more notable in that previous experience had not led to any anticipation that under circumstances such as the present, any steps of the kind now being taken would be possible. If the idea of the present action had been suggested even two years ago as a possibility, it would have been scouted as

merely visionary. In this aspect, the present action marks a notable step in the financial history of the Empire, and is the probable precursor of further remarkable developments, having as their goal the effective availability of the whole of the financial resources of the British Empire for the purposes of peace or war. It is not likely that notable developments will follow upon the present action rapidly. The way of the British peoples is always to hasten slowly. But in view of what has now taken place, there can, we think, be little doubt that in the future, there will be within the British Empire the gradual development of means and methods for the building up afresh of the Empire's financial power that will be more scientific and comprehensive than any methods which have been used in the past. In the British economic and financial histories of half a century hence, the present action of the Canadian banks in financing the contracts awarded by the Imperial Munitions Board, on the security of British Exchequer notes, is likely to constitute a landmark.

DOMINION'S WAR LOAN NEARLY PAID UP.

Subscribers to the Dominion War Loan exercised the option of prepayment of instalments under discount to such an extent that at the end of February all but about 16 per cent. of the amount of the loan had been paid up. By the terms of the prospectus no more than 37½ per cent. of the Loan need have been then paid up, instalments of 20 per cent. being due on March 1st, April 1st and May 1st.

The amount of the loan paid up at the end of February was about \$84 millions. From the February statement of the public debt, it may be inferred that the amount paid up during last month was a little under ten millions. At the end of February, the total funded debt payable in Canada was \$84,693,107, but to the extent of a few hundred thousand dollars, this total includes funded debt outstanding in Canada prior to the recent War Loan.

There is excellent information to the effect, not that Germany is embarrassed by lack of food, but that the German financial community is seriously alarmed at the possibility of collapse of the country's financial and commercial power if the war is prolonged.—*London Cable, N. Y. Evening Post.*

The London Economist's index number of average commodity prices which has been compiled since 1845, reached its highest level on record at the end of January at 3,840. The previous highest level reached was 3,787 in 1864. The low record was 1,885 in July, 1897.

The Minister of Finance has given notice of a resolution giving him authority to borrow up to \$75 millions "as may be required for paying maturing loans and obligations of Canada, carrying on of public works authorized by Parliament and meeting expenditures for general purposes authorized by Parliament."