Canada's Financial System in War

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Our Economy in War
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Preface

The close relationship between the Canadian and American economies makes a study of Canada’s financial system in war particularly timely. Against a background of wartime industrial and price controls, and fiscal policy, the study shows how Canada has mobilized its financial system for war. The wartime functioning of different financial institutions is described, and the effects of war finance measures on such institutions are traced. Finally, Canadian war financing methods in the two World Wars are compared, and the lessons relevant to war finance and postwar reconstruction problems are suggested.

An adequate history of wartime financial developments cannot be prepared until some years after the war is won. Organization and presentation of available facts at this time can nevertheless serve a useful purpose; the problems growing out of wartime finance need thoughtful study now if intelligent policies are to be formulated to deal with them.

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Dr. Higgins is Bronfman Professor of Economics at McGill University and a member of the National Bureau’s Financial Research Staff. The study was edited by Donald Dunham, and guided through the press by Renée S. Courtney. The charts were drawn by Helen Morphy.

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Director, Financial Research Program

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Delegates chat under the logo of global secure financial messaging services cooperative SWIFT at the SIBOS banking and financial conference in Toronto, Ontario, Canada October 19, 2017. © REUTERS / Chris Helgren. Follow RT on. Moscow has previously warned it would consider the move a declaration of war. Former Prime Minister Dmitry Medvedev, who now serves as the deputy chairman of the Security Council of Russia, has also dubbed it a punch in the gut. SWIFT is an international, interbank messaging system, used by financial institutions to quickly and securely send information, such as instructions to transfer money. Removing Russia from this facility has been proposed as a potential sanction since 2014, in response to Moscow’s alleged role in the Donbass conflict. Canada’s Contribution to International Efforts. Canada’s Mutual Evaluation Report by the FATF. Canada takes a comprehensive and coordinated approach to combating money laundering and terrorist financing to promote the integrity of the financial system and the safety and security of Canadians. Canada’s Regime is comprised of legislation and Regulations, federal departments and agencies, including regulators and supervisors; law enforcement agencies; and reporting entities. The Canadian financial system and economy are in good shape to deal with whatever storms might arise from a weakening global context, Senior Deputy Governor Carolyn A. Wilkins said today. In remarks to the International Finance Club of Montréal, Wilkins noted that threats such as the trade war and financial vulnerabilities which include worldwide debt levels that are higher than before the Great Recession are key sources of economic uncertainty and financial stress. In the unlikely event of a storm, Canada’s financial system is resilient, and we are in a good position to deal with whatever comes our way, Wilkins said. However, Wilkins cautioned against complacency. This is not the time to let our guard down, she said. Effects of War Financing on the Financial System. Lessons of Canadian Finance in Two World Wars. General Conclusions.