That is to say that in fifty years, exports have risen from four and a quarter millions of pairs per annum, valued at $6,305,000 to 16,716,000 pairs worth $19,820,000. The possibilities before so vital and vigorous a trade would appear to be almost unlimited.

There is no reason why Canada, with her natural supplies of tannin, cattle, and power, should not be able to take a larger place in this business than she has yet aspired to. Our racial inheritance ought to assure us success in the great essentials of durability, style and finish. It is a trade that should appeal with especial force to the neat-handed and speedy workpeople of this Province of Quebec.

COMMERCE AND FINANCIAL STRINGENCY

It is questioned by some authorities whether the stringency in the money markets of the world has not been due in great measure to the much enlarged commercial trading of the world in general. "A bigger business than ever before has been done, and there has been no really corresponding increase in the world's capital wherewith to finance it," is the way their argument would put the matter. There is undoubtedly something to be said on behalf of this attitude. Three of the greatest of the trading nations, for instance show the following comparative results of their foreign trade for the first quarter of the year:—

	Gt. Britain.	Germany.	United States.
1911	$1,481,750,000	$1,076,000,000	$ 972,250,000
1912	1,551,500,000	1,243,000,000	1,094,500,000
1913	1,651,000,000	1,291,250,000	1,130,250,000

The result of negotiations in gold up to the end of April, four months has left a surplus of $14,500,000 in Germany, and $23,041,000 in Great Britain. The United States, it is generally understood, lost gold through importations to Germany, and by expending some balances of exchange in favour of other nations in South America. In these four months Great Britain received in what was probably new gold from:—

	1913.	1912.
Transvaal..	$64,318,440	$57,158,805
India	6,098,190	3,610,800
Straits Settlements..	253,460	285,305
Australia	1,103,180	1,745,380
	$71,773,270	$62,799,285

But we hesitate to follow some reckless excursions into new coinage or available bankers bar gold questions without more satisfying details than have been given us so far. We may safely say that the disturbance of the financial equilibrium of the world this year should serve to draw attention to the fact that the available supply of actual money—"actual money is gold," according to the late J. P. Morgan—is by no means so large that it is not dearer whenever international commerce increases the demand upon exchange. Especially is this true if there is any other considerable drain upon money, as in the case of a stoppage of free circulation of cash, or some actual waste of gold's equivalent by warfare, or other cataclysm.

Students of this subject of international finance will require to give grave attention to Austria, France and Italy, as well as, of course, to Turkey and the Balkan nations. The demand for $400,000,000 as war indemnities by the last named will give some idea of the gigantic flotations we may expect this summer. We note also that the Paris Temps reckons that France's deficits in 1912 and 1913, and her treasury notes of $33,000,000 due in June and September, will compel the Government to find $160,000,000 more than the receipts to meet the obligations of 1912, in which are included $20,000,000 made necessary by the projected three years' army service. These deficits are, in spite of the increased tax receipts, and fresh taxes totalling $189,000,000 and the Government's net income from the tobacco monopoly in 1912, amounting to $101,000,000.

NEW INCOME TAX IN UNITED STATES AND INSURANCE POLICIES

A recent article in the "Journal of Commerce" drawing attention to the grave probability of all policies issued by United States life insurance companies being mulcted by the requirements of the proposed Income Tax Law, has attracted much attention both in Canada and the United States. Taking up the subject a few days ago, Mr. R. L. Cox, general counsel of the Association of Life Insurance Presidents, intimates that direct issue must be raised with the U.S. Senate by the underwriters.

"The task now in hand," says Mr. Cox, "is to show the Senate leaders that the income tax section is strangely discriminatory against policyholders and their interests. It is difficult to believe that this discrimination is not intentional, for it is brought about only through the utter violation of the principle supposed to dominate this legislation and has been adhered to in the face of much explanation and criticism. The avowed intention of the bill is to exempt from taxation all incomes under $4,000. In most particulars throughout the bill there is a close adherence to this principle of exemption, but when we reach the life insurance portion of the measure there is an abrupt departure from it. I refer particularly to the provision for the taxation of so-called dividends on life insurance policies. It is proposed to tax such dividends irrespective of the point whether they are returned to persons having less than $4,000 income or more than that amount. Of course, it will be argued that the amount involved to the individual policyholder is on the average trifling. But when we multiply it by the millions of provident persons holding life insurance policies we realize that a considerable burden in the aggregate is added to the cost of such insurance, and this burden, it should be remembered, is absolutely out of harmony with one of the avowed objects of the bill.

"Not only is this discrimination against life insurance subversive of the declared principle of the measure, but it is at variance with the theory of income taxes in other countries, which, as noted above, go to the extent of providing a specific exemption of a certain proportion of income spent for life insurance premiums, in addition to the general exemption."

The insurance men concede that the amendments already granted are substantial and make clear that