

Dominion for the current fiscal year is estimated at \$160,000,000, which includes \$36,000,000 interest on public debt, of which \$20,000,000 is due to war loans. These figures must be borne in mind when suggesting ways in which to raise our national revenue.

Those who suggest the taxation of land values do not give details of a practical working scheme to raise substantial revenue. Mr. R. McKenzie, secretary of the Manitoba Grain Growers' Association, in a letter to *The Monetary Times* recently, stated that the taxation of land values would "provide ample revenue." It would be interesting to have Mr. McKenzie's exposition of a workable plan to effect the desired result.

HOW GERMANY TRADED

That German methods of investigating a market, challenge comparison with British methods, is the interesting statement made by Mr. C. Hamilton Wickes, the British government's trade commissioner in Canada and Newfoundland, in his annual report on Canadian trade. He adds also that such a comparison appears to indicate that the science of commercial penetration has not received in the past the same attention in the United Kingdom as in Germany. Mr. Wickes' conclusion, by the way, has a lesson also for Canada. The commissioner cites an actual case of the working of the German intelligence system, illustrating its efficacy. Two young Germans went to Montreal in the fall of 1912 to introduce a line of goods, and took a small office; neither had been to Canada before, but they had received advice that there would be a market for certain classes of articles. They worked hard for eighteen months, and at the end of that time had built up a considerable and profitable connection. When asked as to the reasons of their success, they explained that they had come to Montreal equipped with information as to (1) likely buyers in Montreal, Toronto, and other towns in the neighborhood; (2) the financial standing of such firms, and the names of the men employed by these firms upon whom it was advisable to call; (3) the articles of Canadian or foreign manufacture that they would have to meet in competition, and the prices of such articles, and (4) the customary terms of credit prevailing. All this information had been available to them in Germany before they set out for Canada.

Moreover, they were guaranteed sufficient living and office expenses; they knew that the principals whom they represented would second their orders with prompt delivery, and that they were well posted as to the details of trade, such as the preparing of invoices, declarations, etc., in accordance with the Canadian customs requirements.

Much as we dislike our brutal enemies, and with good cause, useful lessons may be learned from their highly organized commercial intelligence system.

MORAL OF TRADE RETURNS

The official statement of Canadian trade for the fiscal year ended March 31st last shows that exports exceeded imports by \$234,000,000, the former amounting to \$741,610,000, representing exports of Canadian merchandise alone and imports amounting to \$507,783,000. Deducting from the \$234,000,000 a sum of \$187,000,000, representing our annual interest charges payable in Great Britain and the United States, there was a favorable

balance of \$47,000,000, which is increased by \$38,000,000, representing exports of foreign merchandise, thus making the trade balance favorable to the extent of \$85,000,000. The exports of Canadian merchandise last year increased 81.1 per cent. and of foreign merchandise, 58 per cent. Imports during the past year decreased 17.9 per cent. when compared with the figures for 1914, but show an increase of 11.5 per cent. compared with the statistics for 1915.

These figures give rise to some apprehension. As pointed out recently by the Canadian Bank of Commerce, it is no longer necessary to import costly tools for the manufacture of munitions of war, as our plants are now well equipped. Of the material that enters into the making of a shell it is not necessary to import more than 5 per cent., and to fill other orders placed in Canada it may be necessary to import raw material on a limited scale, but allowing generously for all requirements that urgency justifies, there still remains a large volume of imports that come within the non-essential or undesirable class, a fact which indicates that national economy is not as great as it ought to be.

An examination of the details of our imports lends color to that view. The Canadian purchases abroad of jewellery, for instance, during the past year, were reduced only from \$898,000 to \$689,000. Imports of perfumery declined only from \$594,000 to \$553,000. Imports of pomades, while accounting for but a comparatively small amount, were doubled last year. We imported also many articles which are made in this country equally as well as in foreign markets. With all the fresh fruits which Canada grows, preserved and canned fruits were purchased from abroad to the extent of nearly \$500,000, together with \$6,700,000 worth of green fruits. Despite the fact that our fisheries last year gave an output valued at about \$31,000,000, with more in the sea awaiting capital and labor, still we imported fish valued at \$1,378,000. Is any great part of the favorable trade balance due to a national movement for economy or is the changing situation due almost entirely to the large war orders placed here and which in time will cease to be received and to the higher value rather than the greater volume of exports?

BUY A WAR BOND

In *The Monetary Times* last week, and in other papers, the department of finance urged that every citizen should save money for the Dominion war loan to be issued next month. It was pointed out that those who purchase a bond will help to win the war and obtain at the same time an investment of the highest class, yielding a most attractive rate of interest. The investor who says: "If the new loan is not as favorable as the first war loan, I will buy something else," has not yet conceived his duty as a citizen. While the price of the forthcoming loan may be fractionally less than in the case of the previous loan, the price and terms will be consistent with the high credit of the Dominion government and with money market conditions prevailing at the time of issue.

The first thing to do is to decide to subscribe to the loan. It is the duty of every man who cannot shoulder a rifle for the great cause for which our sons and brothers are fighting. The small subscription of the individual investor does its bit in the successful conduct of the war just as much, proportionately, as does the large subscription of the corporation.