PAY PART OF WAR DEBTS NOW

All Cost Must Not Be Placed on Future Generations—Some Suggestions for Taxes

Editor, *The Monetary Times.*

Sir,—In England, the taxpayer is beginning to shoulder at once the burden of the cost of the war, and hand it on, eased to some extent, to the generations that are to come. But the taxpayer has already been footing for many years the cost of maintaining the command of the seas. In addition to this heavy bill the taxpayer is now called upon to pay the new taxes either directly in taxation or indirectly in loss of business. The new taxes—namely, doubling the income tax, adding threepence to the tea tax, putting a halfpenny on the half-pint of beer, and suspending all repayment of debt into the sinking fund—will, it is estimated, amount to $1,758,500,000, which sum shows an increase of $58,500,000 over the estimated cost of the war for one year. This is a fair margin of security.

There are, in times of war, certain industries that flourish, but taking the population as a whole, a period of war is not only one of great difficulty, but also of grave anxiety. I refer chiefly to those who are paid wages, to storekeepers and others in similar grades of life. It has been argued that Mr. Lloyd-George's scheme of taxation looks simple on paper, but when the situation as a whole is examined, the simplicity disappears.

A government must take measures to protect the populace—when raising money out of them—against a financial strain greater than they can bear. This must be their first thought. It is seen that the cost of this war is going to be met—to some extent—by the present generation, and that the future generations will not have to foot the whole bill.

Canada's Expenses More Easily Met.

How will Canada meet her war expenses? There are many industries in Canada to-day that are now working overtime and which were idle before the war, and though—naturally—there are some trades that have been hit hard, there are more that think they have. Just before the outbreak of war Canada's general financial and industrial position was not so powerful as it is to-day. The war has stopped the get-rich-quick fever; and those who think they are losing money, because there is no market for their umbrageous projects, are in reality saving money. On the other hand there are undoubtedly numerous sound ventures that are at a standstill—but then only temporarily. This is a blessing in disguise, for these same undertakings will demand greater and quicker attention after the war—competition in those making-money-quick devices will not then look so attractive.

Canada's war expenses can be more easily met—that is to say, met with less hardship to the population—than in England. There are not many in Canada who cannot afford to pay their iota towards the cost of crushing Germany, and these few can be left out without crippling the others at all.

Methods that Might Help.

It is the custom in Canada to write cheques for a trifling sum; it would be impossible to estimate the number of cheques that are issued for miscroscopic amounts. A government stamp affixed to every cheque at a cost of even ½ cent would do harm neither to the torpid individual nor the indigent.

Receipted invoices of £2 or over in England must be signed over a penny stamp—a somewhat similar plan followed in Canada could be borne with impunity. No one has the slightest doubt but that whatever course is adopted by the present government to help pay the expenses, that the course will be the most adaptable to the Dominion, but—to place Canada in a strong position financially and industrially, any undue delay must hinder for a time Canada's progress. There have been many theories put forward as to the duration of the war, but whether it only lasts six months or three years or more, it will come easier to prepare for emergency expenses now than when the war is over. Subscription funds of every description have been generously supported in Canada—and rightly too, and this without impairing the capital of any individual subscriber. Still, the country as a whole will have other expenses to meet, and in order to strengthen still more the ties of friendship, Canada will be in a far freer position to assist others to start again in this world and in this Dominion, if she were in a position to show, on the cessation of hostilities, that her war expenses had been taken care of, being labelled "Emergency."

Yours, etc.,

C. A. HASTINGS.

NOVEMBER TRADE FIGURES

An increase in the total trade of Canada for November over the corresponding period of last year is indicated in the trade statement just issued by Hon. J. D. Reid, minister of customs, but the increase was due to imported bullion. The total trade was $126,455,299, an increase of about fifteen millions over November, 1913. Exclusive of the import of coin and bullion, which has largely increased, both total exports and imports showed a decrease, this being chiefly due to a falling off in the export of agricultural products.

Total imports for November, including coin and bullion, were $79,880,917, as compared with $52,016,560 in 1913, and the total for the eight months ending November was $447,911,144, as compared with $446,169,481 in 1913. Imports of coin and bullion in November were $48,328,727, as compared with $1,814,404 in November, 1913, and $129,557,137 for eight months against $5,422,548 in the same period, 1913.

Exports in November, 1914, were $74,424,299, as compared with $107,964,484. Exports of manufactures have increased, a healthy sign, and were $6,376,500 for the month, compared with $4,841,922 in 1913. Exports of animals and their produce were $8,470,602, compared with $7,795,511. Exports of agricultural products, however, dropped from $33,417,055 in November, 1913, to $18,846,286 this year.

The bullion imports in November represent, almost entirely, shipments from New York to Ottawa for the Bank of England.

ALBERTA OIL AND GAS ISSUE CRITICIZED

"It will not do to take literally the name of the Success Oil and Gas Company of Alberta, which is just now endeavoring to place shares here," says the London Financial Times. "So far from having achieved success of any kind, it does not seem to have tested any of the properties it has acquired, so that whether it has got hold of any payable claims is a matter of pure conjecture. Its avowed object is "owning, controlling and developing petroleum and natural gas leases" in Alberta, and it holds rights over about 6,400 acres in different fields "reported to be very valuable." The chief inducement put forward—a familiar enough one to oil investors—is that the leases acquired adjoin properties on which wells are already being drilled, and this line of argument is pushed to such an extent that what restricted reports are given about various claims relate to these adjacent properties and not to those of the company itself. The directors, it is stated, "believe that the Dingman and the Monarch wells have proved conclusively the existence of a large body of oil in Alberta." Now, the Dingman is the only producer in the Calgary field, and yet the latest announcement about this well "with its extraordinary freak oil" is that it "does not produce enough of that oil to make a payable proposition, though the considerable quantity of gas produced may extend into the margin of commercial profit." The capital of the Success Oil and Gas Company is $1,000,000 in $1 shares, and 150,000 of these are now being hawked around. In no circumstances, however, could they be described as even a fairly good speculative investment, but with a National War Loan in the field returning 4 per cent. and pretty certain to steadily advance in price there is every inducement for investors to utilize what spare funds they now have in a patriotic direction."

A snowstorm of worthless paper and the antics of a German crank do not affect the ultimate possibilities and prospects of a young, energetic country rich in natural resources.

In consideration of the city of North Vancouver granting the company free water and exemption from taxation for a period of ten years, the Dominion Shipbuilding, Engineering and Drydock Company, Limited, is prepared to guarantee the employment during the first year of 250 men, during the second year 300 men and during the third year 400 men.