

Monetary Times

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of Canada

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THRIFT

There is much food for thought in the warning which Sir George Foster gave in an address recently. "Canada has been in the habit of doing as little as possible for herself and calling on the resources of the banks and lending companies, in the last few years," he said. "There has been a constant stream of money, millions and hundreds of millions, sums incalculable and beyond our simple conceptions. Credit has been too good, resources too great and optimism unbounded. We have unlocked the doors of the vaults and have revelled in loans." There is food enough in flesh and vegetables wasted in Canada every year to feed every hungry mouth, if conserved and saved. Authorities in Britain state that the majority of people should save 10 per cent. more than usual, and the more wealthy, 20 or 25 per cent. Are we doing it?

HUDSON BAY RAILWAY

The suggestion of Industrial Canada that if the premier really wants to feel the pulse of the people regarding the construction of the Hudson Bay Railway, he should instruct the finance minister to offer the Hudson Bay Railway as security for the next war loan, is a good one. As a commercial proposal, this road has little merit. It was started when the whole country, and particularly the West, was inclined to be optimistic to the extent of a hazy vision and an utter disregard of icy obstacles.

Private capital would not consider such a proposal as the construction and the operation of the Hudson Bay Railway and a government is not expected to do all those unremunerative things which private capital will not do. There are certain services which a government must perform for the general benefit and without showing a pleasing balance sheet. The Hudson Bay Railway is not one of them. This would apply equally as much were this railroad a matter of immediate interest to Eastern Canada. A bond issue offered by the government, with the Hudson Bay Railway as security, would probably prove a failure, unless, of course, it were stagemanaged for the occasion.

UP TO THE PEOPLE

In an address at Ottawa last week, Sir George Foster mentioned the subscription of the recent \$100,000,000 Canadian war loan, stating that if necessary, the Canadian people can subscribe \$300,000,000. This assertion was taken by some to mean that a \$300,000,000 war loan would be floated in the near future. That is unlikely. What Sir George Foster means, we think, is to impress upon the country the fact that we must largely finance our own war expenditures without calling upon Great Britain for loans. This can be accomplished by loans in the United States, by internal loans and by increased taxation. It can be effected also, as Sir George pointed out, by stopping all forms of waste and husbanding our resources. It can be accomplished also, as finance minister White has constantly urged, by greater production.

Without attempting to say what Canada ought to do, Hon. R. H. Brand, C.M.G., speaking to the Toronto Canadian Club this week, said that the overseas dominions of the British Empire could help the British cause materially by respectively financing their share of the war burden and by extending credits to Great Britain. The power of Canada and the other dominions to do this is directly determined by the productive energy and economy of the citizens.

BRITAIN'S FINANCIAL STRENGTH

Much depends upon Great Britain's ability to bear its heavy financial burden. Authorities are agreed that whatever the financial requirements, they will be met. They are equally agreed that great economy must be practised in order to do this. When Great Britain is raising such immense sums, it is especially interesting to consider its financial strength. During the years from 1905 to 1913 the annual income of the people of Great Britain brought under the review of the inland revenue department increased from about \$4,500,000,000 to \$5,500,000,000. In the year 1914 it was in the neighborhood of \$5,800,000,000. As against the interest of \$25,000,000 on a \$500,000,000 foreign loan, the income of the people of Great Britain from railways, outside the United Kingdom, was in 1913 about \$150,000,000. The income from government securities other than British amounted to about \$175,000,000. The income on colonial and foreign securities other than government securities amounted to about \$125,000,000.

The government revenue from the increased income tax last year is about \$180,000,000. England's income from other lands is about \$870,000,000. During the last few years the net value of property in Great Britain on which an estate duty was paid averaged between \$1,250,000,000 and \$1,500,000,000. During the ten years from 1904 to 1913 the value of the total imports of the United Kingdom increased from \$2,750,000,000 to \$3,843,000,000, and the exports increased from \$1,855,000,000 to \$3,174,000,000. At a rough estimate, the capital wealth of the British Empire is \$130,000,000,000, and its yearly income \$20,000,000,000, Mr. R. McKenna, chancellor of the exchequer, told an inquirer in the British House of Commons on November 23rd.

On the other hand, British government officials have intimated that the civil population must stint itself and rearrange its whole life with regard to the consumption of luxuries and foreign purchased goods.