# The Chronicle

**Banking, Insurance and Finance**

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## DEBT AND TAXATION.

Now that the third War Loan has been successfully got out of the way and an additional $7,500,000 a year in interest has to be found by the Dominion, the Minister of Finance will doubtless be turning his attention to the new Budget. The revenue results of the financial year which closes to-morrow will probably be satisfactory enough, so far as they go. Apparently, the Dominion will be able to meet out of its revenue for the year, not only ordinary expenditure and the largely increased interest payments on the National Debt, but also capital expenditures on various public works, and then have a good slice left over, about $50,000,000 or $60,000,000, to meet war expenditures, which are running now about $20,000,000 monthly. Thus, apparently, we shall have paid in the financial year now concluding about 20 to 25 per cent. of our war expenditure out of revenue, about the same proportion as in Great Britain, where the percentage of war expenditure raised by taxation is calculated as 22 per cent. As a matter of fact, the percentage of actual expenditure paid out of our taxation is somewhat less than appears, owing to the arrangement by which the British Government supplies the Canadian army in Europe with various necessities. The bill for these, which was estimated a short time ago as then being $50,000,000, is to be settled after the war.

We hope that the Minister will not be enticed by expanding revenue and the great success of his war loans into taking a less stern view than formerly of the matter of taxation. Particularly in the case of a new country like Canada, there is excellent reason why posterity should pay a substantial proportion of the financial obligations incurred in maintaining that liberty and freedom of which posterity will have the full benefit. But theory of this kind must give way to the practical considerations that taxation will come much harder upon the country as a whole during the period of reconstruction than now, when the Dominion is at the flood tide of war-time prosperity, and further that increased taxation is the most efficient method of enforcing the economy which is still so far from being generally practised. Moreover, since the last Budget, the permanent debt of the Dominion has been increased substantially, and it is sound doctrine that increased taxation goes hand in hand with increased public borrowings. While equality of sacrifice under present circumstances is impossible, we hope the Minister will make an attempt to impose necessary new burdens on those best able to bear them. It would not be unreasonable to increase substantially taxation upon those who have made large profits as a consequence of the war.

### THE FEBRUARY BANK STATEMENT.

The February statement of the chartered banks indicates a further heavy increase in notice deposits. These are reported as totalling at the end of the month $880,456,637, compared with $864,163,344 at the close of January, and $728,242,609 at the end of February, 1916. Their gain during the month is thus over $16,000,000 and for the twelve months over $152,000,000. Demand deposits are $430,-331,801, a growth of three millions for the month. Deposits abroad are down by about the same amount to $156,498,668. On the other side of the accounts, Canadian current loans are up by nearly seven millions during the month to $813,302,717, at which figure they are $52,429,536 higher than at the close of February, 1916. Current loans abroad are $86,944,450, a growth of nearly a million during the month. Canadian call loans were reduced during February by $950,529 to $78,786,535. Call loans abroad are up $4,577,080 to $162,344,556. Circulation at the end of February was $138,257,295, an expansion of $4,899,108 compared with the end of January and of $24,729,058 in comparison with February, 1916. Total assets of the banks are reported at the new high level of $1,986,497,317.

### CANADIAN TRADE RETURNS.

The Canadian trade returns for February are less satisfactory than those of recent months, the balance of exports over imports being negligible. How far this is due to shipping conditions and how far to a growth in imports is not clear. While importations, which come mainly from the United States, have been handicapped by bad weather and railway congestion, they could not be so seriously affected by these drawbacks as are exports, which go mainly to Europe, by shipping conditions. Total exports in February were $68,224,383 against $99,106,000 in January and $57,931,168 in February, 1916. The daily average of exports during February thus fell away considerably in comparison with the preceding month. Imports during February were $68,030,000 against $72,323,000, a higher daily average than in January. The balance of exports over imports in February was thus only $194,000 against $26,783,000 in January and $6,277,000 in February, 1916.

Of the total exports in February of $68,224,383, manufactures represented $39,504,694, and agricultural products, $11,449,080.

The following have joined the board of directors of the Guardian Assurance Company, Ltd.:—Mr. Gilbert Wheaton Fox (Edward Grey & Son, Liverpool & London), Mr. R. W. Sharples (Czarnikow, Ltd., Liverpool & London), and Mr. A. H. Brodrick.

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In a recent address, Mr. W. N. Bament, general adjuster of the Home Insurance Company, mentioned that in the last 30 years, nearly 500 regular fire insurance companies in the United States have departed this life, to say nothing of co-operative concerns and mutuals which have found a resting place in the insurance cemetery.