BILLIONS

The first year of the Great War cost $17,500,000,000. The second year cost $28,000,000,000. If the war goes on until August next, it will have cost $75,950,000,000. Canada's war debt may yet reach $1,000,000,000 with annual interest charges of $50,000,000. The Allies have negotiated war loans of $33,000,000,000. The enemies' war loans total $16,000,000,000. The British Empire's war loans aggregate $13,962,000,000. France has raised $12,500,000,000 of war loans; Russia, $6,925,000,000; Germany, $11,988,000,000, and Austria $3,690,000,000. The United States has loaned belligerents $1,500,000,000. Great Britain has loaned its allies and dominions $4,000,000,000. Two and a half years ago, the national debt of the belligerents was $27,000,000,000. Next August, if the war goes on, it will be $86,500,000,000. No one, three years ago, would have believed that these records could have been made without exhausting Europe's financial resources and bringing general bankruptcy. The war is in its third year and these figures may yet be doubled. National bankruptcy with most of the warring nations is distant. With others, it is nearer. But nations can go on fighting even if bankrupt. These facts and figures make prophecy as to war and its finance a risky experiment.

GERMANY AND CANADIAN PACIFIC RAILWAY

Mr. W. F. Maclean, M.P., addressing the Toronto Canadian Club this week, said that the control of the Canadian Pacific Railway was at one time in Germany. This, we believe, is not correct. German capital prior to the war had acquired shares of the Canadian Pacific Railway. From figures supplied some time ago to *The Monetary Times* by Lord Shaughnessy, president of the railway, it was learned that the percentage of common stockholders of that enterprise, in Germany and France, was 15 per cent. in January, 1911; 15 per cent. in June, 1913, and 10.96 per cent. in August, 1916. The holdings of the two countries respectively was stated only for the latest date and they were: Germany, 5.33 per cent.; France, 5.63 per cent. No figures have ever been issued showing a larger percentage of shares held in Germany. *The Monetary Times* has little doubt that control of the Canadian Pacific Railway has never been in German hands.

RESIGNATION

When Sir Sam Hughes spoke, it was usually in a loud voice, with egotism, and without tact. He has not reflected the spirit of the Canadian people. He has annoyed them with vain and foolish utterances. The virtues of his energy have been discounted by many of his actions and most of his words. The country for the most part is glad his resignation has come, even although considerably late. His elimination from the cabinet shows either that Sir Robert Borden has acquired more backbone or that someone has forced a little of that commodity into the premier's office. Several other obstacles to the present government's future success at the polls remain to be removed.

THE BLACKLIST

At the Paris economic conference, where Canada was represented by its trade minister, Sir George Foster, one of the unanimous decisions reached was that for the period of the war at least, citizens of the allied countries should not trade with the enemy. That point was emphasized by Sir George Foster in speaking of the Conference to the Toronto Canadian Club last week.

The countries allied with Canada in the present war and in the decisions of the Paris conference must surely be astonished at the way in which this Dominion has forgotten its subscription to the promise not to trade with the enemy during the war at least. On July 18th, 1916, the British government established what is known as a blacklist of firms in the United States with which citizens of the United Kingdom are forbidden to trade. A similar blacklist was established by Australia shortly afterwards. The Canadian government, after four months for consideration, has not yet seen fit to follow the example of the Imperial and Australian governments. The blacklist of United States firms does not yet apply in Canada.

In other words, while it is illegal for citizens of the United Kingdom and of Australia to trade with these enemy firms, classed as such by the British government after careful investigation, it is legal for Canadians to trade with such enemy firms. Business has been done by Canadians with some of these firms.

What weighty considerations are preventing the authorities at Ottawa from taking the proper action?

BRITISH TREASURY AND WINNIPEG STOCK

The British treasury announces that it will no longer purchase city of Winnipeg 4 per cent. consolidated registered stock, 1940-60, under the terms of the offer published in the press on August 15th last.

FAVORS SERIAL BONDS

Issues of serial-payment bonds have been made in some Canadian cities. The advantages of this form of municipal security have been pointed out at various times by experts in the columns of *The Monetary Times*. A United States banker has written to Mayor Mitchell, of New York, in the following terms:—

"So large a saving to taxpayers could be effected by increasing the use of the city bonds in serial form that I believe the mayor could well appoint a committee to investigate the proposition, and especially to consider whether a considerable part of New York's present bonded indebtedness could be refunded in serials. I am well aware of the practical difficulties in the way, but I have little doubt that the saving to taxpayers would more than pay for the trouble and cost incurred. Few, if any, will question the superior advantages of serial bonds, both to the municipality which issues them and to the investor who purchases them.

"The most certain, simple, and cheap way to amortize a debt is to pay it off in annual instalments. The uncertainties of calculation, which have so unfortunately affected our sinking funds in the past, are at once eliminated. There is no large fund left in the hands of public officials to be cared for and invested and reinvested for fifty years. . . . The fact that the same administration which incurs a debt must at once begin, within one year, to make provision for its retirement, necessarily and strongly tends towards responsibility and prudence in the contraction of debt.

"Finally, the serial method produces an immense saving in the amounts which the state must eventually pay to retire its debt."