

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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One Year	Six Months	Three Months	Single Copy
\$3.00	\$1.75	\$1.00	10 Cents

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The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

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## THE SPIRIT UNBROKEN

(Reprinted from *The Monetary Times* of two years ago.)

Once again British diplomacy has played fairly, satisfying the most delicate conscience. Once again it has maintained the British standard of honor, this time at the expense of valuable points in warfare, now gained by the enemy. Germany having pushed war, it has challenged a nation which has strained every diplomatic nerve and sinew to preserve peace. Flouting Britain's heroic determination to strangle war, now it must face that determination in a grim shape. It is not war upon Great Britain alone. It is a challenge to the Empire, one which has done for civilization more than other Empires have even tried to dream. That challenge the Empire has answered. Canada, Australia, South Africa, every dominion overseas join with the Motherland in this international struggle, one into which that Motherland has done everything possible to prevent the Empire having to plunge. Victory on one side may mean a new map of Europe, the flowering of autocracy and the predominance of belligerence. Victory where the British Empire may place it, will mean the preservation of individual nationalities, the progress of democracy, always arbitration and perhaps lasting peace.

Seldom has England girded its loins in such a good cause, especially as the struggle has been forced upon it. Heaven knows of the prayers which have been offered and the statesmanlike efforts made for peace. War has come to bring it. Having entered the fight, the British Empire will proceed to the end. In this struggle it has the help of some and the sympathy of all, except perhaps two, of the civilized nations of the world. May Right ride as conqueror!

Saving is accomplished only by an effort. Strict economy is necessary in order to win the war and pay our share.

## THEN AND NOW

A little town in the West has a total liability of \$127,000. Its population is less than 350 people, representing about 50 residential ratepayers. When agricultural communities of the West unwisely wished to become big commercial centres, that little town, like many others, acquired nothing of a city's appearance except its debt. Now it is in financial difficulties, humbled, and content to call itself a village. It has placed its affairs in the hands of the provincial authorities and the local paper says: "To expect this handful of people (50 residential ratepayers) to assume these burdens (liabilities of \$127,000) is as ridiculous as it is impossible." Also, the creation of the debt was as ridiculous as it was possible.

## LESSONS OF WAR FINANCE

"Let us assume," said Sir Thomas White, finance minister, in his budget speech last February, "that our indebtedness on account of this war will reach \$500,000,000." At the end of two years of war, General Sir Douglas Haig, commander-in-chief of the British armies in France, says that "the third year of the war will be the Allies' year," and that "Britain will not achieve her full strength on land until next summer," and that "until this victory is won it ill becomes a British soldier in France to think of peace." Unless, therefore, there comes a sudden collapse in the enemy's position, naval, military, financial, economic, some or all, the Great War will proceed for some time yet. The Dominion government's war expenditures are now \$20,000,000 monthly. The finance minister and members of the Federal government generally will probably revise upward the assumption that our war indebtedness will reach \$500,000,000. It is not unreasonable to assume, in view of the rapid increase in war expenditures and the continuance of the struggle, that ultimately our war debt will be \$1,000,000,000. At 5 per cent. the annual interest would amount to \$50,000,000.

The financial aspects of our participation in this war should appeal to every citizen as making individual economy imperative, and as making attractive subscription to our second war loan next month. The financial phases of the war should prove the strongest incentive to our governments to practise the economy which they preach. It is useless for cabinet ministers to talk economy to the nation while patronage plus pilfering waste more than the individual could ever dream of saving.

The finance minister has previously stated that the general policy of Canada, so far as war finances are concerned, is the "placing upon posterity the greater portion of the financial burden of the war, waged as it is in the interests of human freedom and for their benefit in equal if not in greater degree than for our own." This policy is backed by the fact that our country is, as the finance minister said in his budget speech, "rich in potential resources, certain of future development and great expansion of production and population but without at present, large accumulations of wealth."

It is suggested in France that the merchant submarine did not cross the Atlantic, except in parts and on neutral ships, that these parts were assembled and the boat loaded on this side. This would be in keeping with Germany's sly advertising methods. The "Deutschland" may bob up again in Baltimore in a new garb of paint with the name "Bremen" on her bows.