Monetary Times

Trade Review and Insurance Chronicle

of Canada

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CANADA'S WAR TAXATION

The special war revenue act passed last session will bring $1,865,000 up to July 1st next. That is the estimate of Hon. W. T. White, minister of finance. The amount is made up as follows: Bank note circulation, $248,000; trust and loan companies, $55,000; insurance companies, $77,000; stamp taxes, including stamps on negotiable instruments, money orders, letters and postcards, patent medicines, perfumeries and wines, $1,485,000; total, $1,865,000. Taxes on railways and telegraph companies will not be ascertainable until later.

Mr. White states that the total amount of interest which will have been paid and accrued by July 1st on account of money borrowed from the British government for war outlays since August 1st last is $1,100,000.

If the total amount of $150,000,000 already appropriated by parliament on war account is expended before March 31st next, there will be an additional amount of interest payable after July 1st approximating $3,150,000. There is every indication that the amount appropriated will not be sufficient to provide for the war expenditure up to March 31. Mr. White will probably face the problem soon of raising additional revenue by special taxation. Naturally he will give serious consideration as to the advisability of the further upward revision of the tariff. There is a wise limit to the policy of protection, even in war times. One fruitful source of taxation would be a war stamp tax upon receipts, just as there is now upon cheques. This is a permanent revenue measure in Great Britain and was also considered by the government at Ottawa in February, although it was not deemed necessary to adopt it then. While it would account for only a comparatively small part of the total sum required, it would help. Objections to paying a war tax of two cents upon receipt of money, are unlikely to be heard.

GERMAN TRADE

When Canada granted a preferential tariff to Great Britain Germany asked for similar treatment and was refused. As a punitive measure, Germany placed Canada upon its most unfavorable tariff, Canada retaliating with a surtax on imports from Germany, of one-third of the duty specified in the general tariff. These strained relations resulted in a severe decline in German trade with this country. For seven years Germany persisted, finally yielding, and the Canadian surtax was immediately suspended. Germany automatically dropped once more into our general tariff. The question of a general convention for the regulation of commercial relations was then deferred for consideration at a time that might be found mutually convenient. That time is not likely to come in our day. Canadian exports to Germany have ceased. For December last, the Canadian trade records show an export entry of $30. *The Monetary Times* learns that this comprised a tachometer, exported from Toronto to Leipzig, three days before war was declared by the British Empire on Germany. The export entry was not received at the Customs until December and the entry was therefore included in the returns for that month. That tachometer was an historic export item.

Canada will shortly be turning out 50,000 shells daily for use by the Allies. The area sown to wheat in Canada and from which the coming harvest will be gathered, is 1,662,500 acres or 14.8 per cent. greater than in 1914. This information is printed as being of interest to the enemy.

THE IMMIGRANT'S VALUE

In his address as retiring president, Mr. E. G. Henderson discussed the question of immigration to Canada after the war. So many varying opinions are held on this subject that it is interesting to have an additional one. Mr. Henderson said:—

"It is sometimes claimed that after the war the flood of immigration into Canada will be resumed. For such a movement only one reason can be advanced, namely, the desire of Europeans to remove themselves to a land where the horrors of battle can never overtake them. But does not this assume a willingness on the part of Germans and Austrians to take up their abode with the enemy they have sworn to hate, and does it not also assume a readiness on our part to try to assimilate a class of people of whom we should naturally be suspicious? In any event, what made our former immigration profitable was the money and effects which settlers brought with them, whereas a considerable portion of any immigration that may come to us after the war will likely be refugees."

The Monetary Times is inclined to think that, by saying "what made our former immigration profitable was the money and effects which settlers brought with them," Mr. Henderson has taken an entirely incorrect view of the value to Canada of immigration. The settler's money and effects are not the chief immigration asset to the country. The settler himself, his labor, his citizenship, his purchasing power, constitute an asset far more valuable than his money and effects.