been transformed into a favorable one. The export of war supplies will probably be large during coming months and to that movement will be added the export of the wheat and grain crops and of a large volume of agricultural products generally. The more we produce, sell, and economize, and the less we borrow, the better off will we be. And that is the way in Canada these days.

TAXING MORTGAGE INVESTMENTS

In *The Monetary Times* recently was discussed an incident relating to mortgage investors in Canada. A Western Canadian, it will be recalled, who for a number of years has acted as agent in placing loans on farm land in one of the prairie provinces, for a wealthy professional man in the United States, recently submitted some applications to this party, who has considerable cash on hand, and received the following reply: "I would be willing to have you continue making loans in Canada, were it not for the war, but I fear that when it closes, your country will be so burdened with debts that they will levy additional taxes on everything possible, and I think on mortgages held by aliens."

The Monetary Times drew the attention of Hon. Walter Scott, premier of Saskatchewan, to this matter. He says: "Extraordinarily exaggerated notions of taxation possibilities and probabilities seem to be entertained amongst our southern neighbors. Speaking for Saskatchewan, I may say that no taxation will be imposed on aliens which will not be imposed on resident taxpayers as well."

NEW CAPITAL APPLICATIONS.

Figures showing the new capital raised in London during the half-year January to June illustrate how the capital market has been completely revolutionized by the war. The total amount raised was £72,000,000, £29,000,000 of which is on account of the exchequer bond issue of £50,000,000. The remainder of the exchequer bond issue is excluded as it was taken to repay existing obligations. The London Economist gives the following figures in regard to capital applications for the past few years:—

Year.	First Quarter. £	Second Quarter. £	First Half-Year. £	Second Half-Year. £	Whole Year. £
1910	.99,355,600	88,721,400	188,077,000	79,362,100	267,439,100
1911	.61,245,000	56,238,800	117,483,800	74,275,600	191,759,400
1912	.47,966,100	62,377,500	110,343,600	100,506,400	210,850,000
1913	.50,344,700	70,014,900	120,359,600	76,177,400	196,537,000
1914	.97,610,200	54,739,100	152,349,300	360,173,300	512,522,600
1915	.46,313,500	25,693,200	72,006,700	....	....

The British treasury is supervising all applications for capital and its sanction has to be received for all issues made. This is in order to conserve the national resources for war loans. The treasury has been properly severe and a large number of applications failed to receive sanction. The new war loan cannot be included in the figures, as the total amount is not decided. Treasury bills, by which for many months the war has been financed, are not included. Moreover, Great Britain's lendings to her dominions and allies cannot be stated, for their amount is a government secret. Canada, however, has had $100,000,000 for war purposes. If all these borrowings could be included, the figures in the above table would be increased greatly. The table must be read with these reservations in mind.

In comparing the figures of the current year with those of 1914, it should be remembered that the war loan of £350,000,000 in November is included in last year's figures, thus increasing the total largely. In giving the destination of the new capital for the first six months of the current year, Canada is credited with having had £5,475,000. *The Monetary Times'* record shows that Canada received during the first six months in London, through public issues, £8,235,000. This total is made up of the Dominion government issue in March of £5,000,000, the Grand Trunk Railway issue in June of £2,500,000 5-year notes, and the Canadian Northern Railway issue of £735,000 one-year notes in June. A large number of countries which received British capital last year have been obliged to go without this year. These include the enemy countries, and in addition Brazil, Chili, Mexico, China, Sweden and Greece.

UNITED STATES LOANING POWER

With a large export trade, the United States is rapidly assuming an enviable position. Its favorable trade balance for the fiscal year ended June 30th will be about $1,200,000,000. Even should the German attempt to continue indefinitely with the United States a correspondence course on war ethics, ultimately fail, the United States would continue in a favorable trade position. Comparatively little ammunition and war supplies would be required by the United States for war purposes, as Great Britain has cleared the sea surface of enemy ships and is taking the necessary steps to deal with the submarine menace. The United States, although at war with the common enemies of modern civilization, could continue to export immense supplies to Great Britain and her allies.

Sir George Paish estimates that a year hence the United States will have a surplus of $1,500,000,000 for investment. Already, according to the Wall Street Journal, about $275,000,000 of foreign borrowing has been transacted in the United States since the war started. The details are as follows:—

Canada, municipal, government, corporation, etc.	$ 87,250,000
France, one year, 5 per cent. notes	*35,000,000
France credit	10,000,000
France one year collateral loan	†40,000,000
Argentine, 6 per cent. notes	15,000,000
Argentine, five year, 6 per cent. bonds	25,000,000
Swiss, 5 per cent. notes	15,000,000
Germany, 5 per cent. notes	10,000,000
Sweden, 6 per cent. notes	5,000,000
Norway, notes	3,000,000
Republic of Panama	3,000,000
Bolivian loan	1,000,000
Costa Rica credit	500,000
Total	$274,750,000

*Total authorized amount of this loan was $50,000,000 of which it is estimated that $35,000,000 was sold.

†The total amount of this credit, which is secured by American railroad bonds, has not been made public, but it has been estimated variously up to $50,000,000.

According to the records of *The Monetary Times*, the Canadian loans in the United States this year to date total $60,000,000. The issues last December, however, would bring the amount up to that noted by our contemporary.