

THIRTY MILLIONS IN NEW TAXES PROPOSED

(Continued From Page 1.)

On March 31st next for the mobilization equipment, transport and maintenance of an overseas contingent of 25,000 men and pay of detachments of troops on active home service. Such was the patriotic spirit and enthusiasm with which the call to arms was received throughout the Dominion and such the vigor and expedition with which the mobilization, organization and training of the troops was conducted by the military department that within six weeks after the close of the season Canada had despatched a contingent of 32,000 men fully armed and equipped as her first contribution in this war to the ranks of the Empire's army. To-day there are nearly fifty thousand troops in active training throughout Canada, their number being increased daily by enlistment. From this body as a permanent nucleus, constantly replenished by recruitment, further contingents will be sent forward from time to time as practicable. The estimate of expenditure presented in August was of course inadequate to meet the enlarged programme and the special war expenditure during the present fiscal year will probably reach the total amount of the appropriation, viz: \$50,000,000.

Taking all the foregoing into consideration the increase of Canada's national debt for the year would probably aggregate \$10,000,000. In this I am, of course including our expenditure for war.

In addition to the expenditure to which I have referred the Dominion has made advances on investment account under statutory authority and has met its sinking fund obligations as usual, the funds required to be found for these purposes aggregating \$5,000,000. We also provided for the retirement of \$1,700,000 of yearling Treasury Bills which matured in November last.

Finding Money Onerous.

The House will find from the statements I have made, rather than the task of finding money for our requirements as outlined has been somewhat onerous. For four or more months after the outbreak of war international money markets were closed to new issues. By December, after the successful flotation of the British war loan, an easier tone prevailed and it became possible to obtain short date money in limited amounts at fairly reasonable rates. Capital was still however, averse to permanent investment, although evidence was not wanting of improvement in that regard. Any prospect of general resumption of the British war loan was however, terminated by the British Treasury authorities on January 18th, that owing to the necessity of conserving the financial resources of the country during the war, fresh issues should thereafter be made only with their approval, issues for undertakings outside the British Empire were prohibited. Issues for undertakings within the United Kingdom are to be allowed only if considered advisable in the national interest; those for undertakings in the British Empire overseas only where urgent necessity and special circumstances exist.

To meet our financial requirements since the August session the following steps have been taken:—

We arranged with the Imperial Government for advances from September until March 31st of £12,000,000 or say \$60,000,000, of which we have received to date \$2,000,000.

We issued for Dominion purposes Dominion notes to an amount of ten million dollars in excess of the additional issue of \$15,000,000 authorized by Parliament at its last session. For this I am introducing special legislation confirmatory of our action.

We borrowed five million dollars from the Bank of Montreal.

We issued after the successful flotation of the British war loan, \$2,000,000 of six months Treasury Bills negotiated at 4% and 4 1/2% per cent, and maturing in June next.

We sold at a net price of 94 1/2% £1,000,000 of our 1840-60 stock to meet the private requirements of our investing clientele in London.

Have Substantial Balances.

By these means we have arranged our finances until the end of March of the present fiscal year. At present we have substantial balances on our credit, both here and in London.

So far as floating indebtedness is concerned we shall therefore enter upon the new fiscal year with £2,000,000 of Treasury Bills maturing in June, and a bank indebtedness of \$5,000,000. Apart from these we have no maturing loans to meet until the year 1915, a most satisfactory situation which, I am disposed to attribute to the policy hitherto followed by the Dominion of financing by selling its permanent stock at such prices as could from time to time be obtained, rather than by issuing short date loans in the hope of more favorable conditions developing later.

As regards our borrowings from the Imperial Treasury upon its war loans, from the proceeds of which advances are to be made to us. At such time or times in the future as may be agreed upon by the British Chancellor of the Exchequer and the Canadian Minister of Finance, a Canadian war loan will be issued and the borrowings from the Imperial Government repaid. It seems to me that no fairer terms could be named than those so generously accorded us by the Imperial authorities.

In approaching the question of our finances for the coming fiscal year beginning April 1st next, it will be advisable to give preliminary consideration to prevailing trade conditions because upon such conditions will depend the amount of revenue which will be derived from all sources and particularly from customs which is our principal mainstay in the matter of income. Since the outbreak of war there has of course been a most serious interruption of our international trade. Commercial feelings with enemy nations have been automatically shut off. The increased risk of ocean traffic and higher freights have had their influence. The demoralization of the rates of exchange, which are now happily becoming normal, was for several months a serious detriment to international transactions.

Import and Export Trade.

In addition our import and export trade was for a considerable time and is still in some degree adversely affected by the interruption of our merchant marine service through the chartering of so many steamships for the transport of our troops and the engagement of a part of our shipping by the Imperial authorities. The falling off of immigration, the departure from Canada of reservists and of our own contingent have also had their effect. But by far the most important factor has been the curtailment of our borrowings abroad. This has been the outstanding feature of the economic effect of the war upon Canada. Canada has been borrowing at the rate of from two to three hundred million dollars annually for some years past. For the six months preceding the war our loans abroad and principally in Great Britain aggregated one hundred million dollars or over a million dollars a day. These borrowings represented the sale of securities by the Federal and Provincial Governments, by municipalities and

by railway, public utility, industrial and financial corporations. For the most part the purpose of loans so effected was to provide funds for the construction of public undertakings, works and services, railways and industrial and other plants and establishments. The war at once cut off this stream of borrowed money and only recently have there been evidences of its resumption upon a greatly reduced scale. Until the war is over and for a considerable period afterwards it is not probable that monetary conditions will permit of the issue of securities even of the highest character other than for war purposes. In any such volume as that to which we have been accustomed in the past. This interruption of the influx of capital has necessarily marked curtailment of expenditure upon undertakings, works and buildings in all parts of Canada with consequent reaction upon the industries, trades and businesses furnishing materials and supplies therefor. The result has been a material slackening of general construction activity, considerable unemployment and attendant diminished buying power on the part of the community. Commercial houses are exercising prudence in commitments, and the public generally are practicing economy, that is to say, they are buying less, both of domestic and imported produce.

Rapid Change in Volume.

The result of all this has been a rapid change in the volume of our imports and exports. For the nine months ended December 31st of the present fiscal year our total exports (merchandise only) amounted to \$33,000,000 as compared with \$86,000,000 for the corresponding period of the previous year. A decrease of \$53,000,000. For the same nine months of the present year our imports (merchandise only) have been \$39,000,000, a decline of \$12,000,000 over those for the corresponding period of the previous year. Thus the ratio of decrease in our exports has been much less than in the case of our imports. The total trade for the first nine months of the present and last fiscal years was \$74,000,000 and \$88,500,000 respectively.

In 1912 the so-called average balance of trade against Canada was \$25,000,000; in 1913, \$300,000,000; in 1914, \$180,000,000. From present indications it would appear that we shall to a large degree overtake this balance. In view of the decrease in our borrowings, which have accounted in large measure for our excess of imports, this condition is what we should naturally expect. Our imports will, it is to be hoped, so increase as to enable us, with such borrowings as may be obtained outside of Canada, to pay out any trade balance against us together with our interest maturing abroad without resort to gold exports.

From what I have stated, it is apparent, that with the war still continuing we may expect for the year 1915-16 diminishing imports and consequently reduced revenue as compared with the present year in which there have been four ante-bellum months. Upon the present basis of duties of customs and excise we estimate that our revenue from all sources for the coming year would not exceed \$12,000,000. So far as expenditures are concerned, the policy we enunciated in August we shall continue. Our estimates contain no new items and as to items which they include we shall proceed with works not already under contract only as we fell justified, having regard to the financial situation. Dealing with what may call uncontrollable expenditure, that is to say, expenditure necessary for the conduct of civil government and required to meet interest and other obligations of the Dominion, we cannot look forward to any reduction over the past year. The Dominion has large undertakings under contract for construction. Chief among these may be mentioned terminal and harbor works and improvements in our larger port cities, the completion of the National Transcontinental Railway and the Quebec Bridge, the Hudson Bay Railway and the Welland Canal.

Consolidated Fund Expenditure.

We must calculate upon consolidated fund expenditure of \$140,000,000 and of capital and special expenditure of \$40,000,000. For investments authorized by statute we shall have to provide \$4,000,000 additional. It will be necessary also to provide funds to meet the outstanding Treasury Bills to which I have referred. Our special war expenditure may reach \$100,000,000 for which a special appropriation bill will be passed at this session. Our interest charges will, of course, greatly increase from this for the year outlay for this year on this account will exceed fifty millions. In next year's estimates they appear at \$2 1/2 millions. We must also look forward to a large and increasing expenditure on our railways.

It is apparent in these conditions that we must obtain additional revenue to a very substantial amount. Assuming that our total cash requirements for all purposes whatsoever, including our war expenditure, will amount during the coming year to over \$300,000,000 while our revenue on the present basis will yield only \$120,000,000, we are faced with the problem of raising by additional taxation and borrowing a sum in excess of \$180,000,000. My proposals for meeting the situation are as follows:—

So far as concerns our special war expenditure which may reach one hundred million dollars, I should be disposed, if we had not such heavy and uncontrollable capital expenditure to meet, to recommend that we should pay less than a portion of it from current revenue. But it is obvious upon a consideration of the figures which I have submitted that we shall not, by any reasonable supplemental taxation measures, be able to close the gap between revenue and expenditure much less to pay a portion of the principal of our special war outlay. In the circumstances I have no hesitation in proposing to the House that we shall borrow the full amount required under this heading. Canadian governments have always justifiably borrowed for capital account on the principle that expenditure upon enterprises, permanent in their nature, entitles to the benefit and advantage of future generations who may therefore fairly be asked to pay interest upon the debt contracted in respect of them.

No Reluctance to Borrow.

If this theory is correct, and so far as I know it has never been seriously challenged, then we need of this war because such borrowing for the purpose of accomplishing for future generations that which is infinitely more precious than material undertakings, viz., the preservation of our national and individual liberty and the constitutional freedom won by our forefathers during centuries of struggle.

The chief source and mainstay of our revenue is the tariff, and it is to this we must look principally for relief of our present financial condition. Taxation imposed by increased customs duties bears upon all classes, because all are consumers, and in principle additional taxation each member of the community will feel that he is, to that extent, contributing to the cost of the war, and the defence of his country. As an auxiliary means of raising revenue we shall resort to certain special taxes, the burden of which will fall more particularly upon those members of the community who are best able to sustain it.

To supplement our revenues to the minimum amount regarded by the Government as necessary, I shall introduce to the House a bill entitled "The War Revenue Act, 1915." Its provisions will cover a levy of special and general taxes as follows:—

UPON all banks to which the Bank Act applies, a yearly sum equal to one per cent upon the total circulation, to be computed and paid quarterly. From this taxation we shall realize approximately one million dollars.

UPON every trust and loan company incorporated under any legislative authority, and carrying on business in Canada, a yearly sum equal to one per cent of the gross income derived in Canada, payable quarterly.

UPON every insurance corporation, society, association, firm or partnership carrying on the business of insurance, other than life, fraternal, benefit and marine insurance, a sum of one per cent upon all net premiums received by it in Canada. Payments to be made quarterly.

The provisions of the bill will apply to business of the respective banks, trust and loan and insurance companies transacted after January 1st,

1915, and the first receipts therefrom will reach consolidation revenue fund accounts by 1st May.

Using Telegrams as Basis.

In addition, the following taxation will be provided for:—

UPON every cable and telegraph company using telegraphic cables, wires or other means of telecommunication, a sum equal to one cent upon each despatch or message originating in Canada for which a charge of fifteen cents or more is imposed. It is proposed to be levied on the company is authorized to charge the additional toll and collect the same from the person sending the message.

UPON every purchaser of a railway or steamboat ticket in Canada for any point in Canada, Newfoundland, the West Indian Colonies or the United States, the sum of five cents in respect of a ticket costing over one dollar, and not more than five dollars, and five cents for each additional five dollars or fractional part of five dollars which the ticket costs.

UPON every purchaser of a berth in a sleeping car or seat in a parlor car, the sum of ten cents in respect of each berth bought and five cents in respect of each seat bought in Canada. The railway or steamboat company or person selling the berth, sleeping car or seat, is authorized to refer to the collector to collect the taxes imposed and transmit to the Government.

UPON every person, firm or company carrying on business in Canada, other than the collection of tolls or taxes at ports or places in Canada, Newfoundland, the British West Indian Colonies and the United States, in respect of each passenger, the sum of one dollar, and in respect of each piece of baggage, the sum of three dollars, if such amount exceeds thirty dollars, and the sum of five dollars if the amount exceeds sixty dollars. The company is authorized to collect the tax from the passenger and required to account therefor to the Government.

Several Stamp Taxes.

In addition to the above the following stamp taxes are proposed:—

UPON all cheques, receipts to banks by depositors and upon bills of exchange passing through a bank, a stamp tax of the value of two cents.

UPON all express and post office money orders a stamp tax of the value of two cents, and upon postal notes a stamp tax of one cent.

UPON every letter and postal card posted in Canada, a stamp tax of one cent.

UPON proprietary or patent medicines and perfumery sold in Canada, the retail price for each bottle or package of which is ten cents or less, one cent; and in addition for each ten cents of retail price, one cent.

UPON wine, non-sparking wine, sold in Canada, every bottle containing one quart or less, five cents; and for each additional quart, five cents.

UPON champagne and sparkling wine, sold in Canada, every bottle containing one pint or less, twenty-five cents; and for each additional pint twenty-five cents.

The special taxation to which I have referred, other than that levied upon banks, trust and loan and insurance companies, will come into force at the present time under the Act. I am making an exception to this in the case of wine and champagne, the stamp taxation upon which will become effectual at once.

From all these special taxes we expect to raise a sum approximating \$8,000,000, although there is no means of accurate calculation.

Omitted Income Tax.

It will be observed from these special taxes omitted income tax upon individuals about which there has been discussion since the outbreak of war. The matter has had the consideration of the Government and it appears clear to us that such a tax is not only desirable, but necessary. Under the British North America Act, while the Dominion may impose direct or indirect taxation, the provinces are restricted to the former. At present under the Act, income tax exists in certain of the provinces, income is subject to taxation by municipalities, and in two instances by the provinces themselves. In other provinces, no income tax exists, although in some of these a business tax in lieu thereof is levied upon the occupier of premises. In order to bring into force an income tax, the Government would be obliged to create machinery for assessment, revision and collection. This would involve a heavy outlay compared with the amount which would be realized.

Taking the income tax of the United States as a basis, it would appear that Canada could hardly expect to derive from a similar tax a sum in excess of two million dollars, from which would have to be deducted the heavy expense connected with its administration. My chief objection, however, to an income tax is the fact that the several provinces are also likely to be obliged to resort to measures for raising additional revenue, and I am of the view that the Dominion should not enter upon the domain to which there are confined to a greater degree than is necessary in the national interest.

There is another feature of the income tax which makes it unsatisfactory for the purpose of Dominion finance. I refer to the length of period which must elapse before the revenue becomes available. In Britain, where the tax is the chief source of revenue to the Imperial Government, there is no municipal taxation upon incomes. There is also the fact that the revenue from the tax is not available until a considerable period after it is levied. In the Dominion, where the tax is levied largely from investments, they have, therefore, a settled and permanent character, are ascertainable with fair accuracy, and are capable of being levied upon at their source. With us this is not the case.

Main Revenue Measure.

As our main revenue measure, we propose with certain exceptions, a general horizontal increase in the customs duties upon all goods and commodities imported into or taken out of bonded warehouses in Canada. The list includes all articles hitherto dutiable, or on the free list, and whether raw material or finished or partly finished product.

The increase we propose is seven and a half per cent, ad valorem to the general and intermediate tariffs, and five per cent ad valorem to the British preferential.

In the case of iron ore, for reasons I shall give in committee, the added duty is specific and not ad valorem.

In determining the list of exceptions, regard has been had to the connection with France and the obligations of our agreement with certain of the British West India Colonies. By reason of the former, the increased customs duties will not apply to silk, hosiery, ribbons, embroideries and certain other goods.

The exceptions to the tariff increases I have mentioned include wheat, flour, tea, anthracite coal, fish from Newfoundland, salt for curing fish, lines, twines, nets and books for fishermen, rubber, tin, tinners, binders, harvesters, binder twine, traction ditching machines, sugar, tobacco (dealt with in August), news printing paper, newspaper printing presses, typesetting and printing machines and a number of other items of lesser consequence. The tariff on the articles exempted from the increased duties will remain as at present.

Duty Upon Raw Materials.

So far as concerns the duty upon raw materials, it is to be pointed out that in accordance with regulations made under the provisions of the Customs Act, manufacturers are entitled to a drawback of ninety-nine per cent upon all duties paid upon imported materials used, wrought into or attached to articles manufactured in Canada and exported therefrom. In addition to making the increases mentioned for the purpose of altering the existing sulphate to the free list, Sulphur is used as bait by the fishermen while nicotine sulphate is a spraying material used by fruit growers for destroying insect pests. These two items have for some time past been noted for change.

The proposed increase in the tariff on raw materials will be separately shown in the Trade and Navigation returns of the Department of Customs. By this we shall know the precise amount collected through the customs under the provisions of the War Revenue Act.

UPON the basis of importations for the current year and having regard to conditions which I have described as likely to prevail during the coming year, we expect our revenue from the proposed tariff legislation from twenty to twenty-five million dollars.

These, Mr. Speaker, are the proposals of the Government, having as their object the raising of additional revenue rendered necessary by the war, and our participation therein as a belligerent. We are not unmindful that they will entail a considerable financial burden upon the community. We believe, however, that to adopt measures less comprehensive in their scope would be but to temporize with a situation with which it is our duty to adequately cope.

Demands on Patriotism.

That the people will cheerfully respond to the demands made upon their patriotism goes without say-

ing. At the outbreak of the war it would have been premature to have brought forward measures, which to-day have been long foreseen by public opinion to be necessary, and, indeed inevitable. It would have also been most inopportune and inexpedient, by reason of the profound dislocation and disorganization of business caused by the war and the shock to financial stability which the Dominion was so suddenly called upon to withstand. We believe the tariff increases which we propose will be not only effectual in producing greater revenue, but will be strongly efficacious in stimulating Canadian industry and agriculture and in relieving unemployment.

In conclusion it may be fitting that I should say something as to general economic conditions actual and prospective. On the whole, having regard to the vast dislocation of finance and commerce occasioned by the war, the Dominion has withstood the shock exceedingly well. When we consider the immense distances we have traversed, since August last in improved tone, confidence, and commercial and financial outlook there is abundant cause for gratification and thankfulness. Readjustment has necessarily been a painful process for many of our industries, but it must be considered as having proceeded and as proceeding satisfactorily. The consequences of the interruption of our borrowings abroad for purposes to which I have alluded in the course of my remarks are, however, a slackening of activity in many trades. On the other hand production in various lines has been greatly quickened and stimulated by orders on a very large scale for clothing, munitions and other equipment and material placed in Canada, not only by the Canadian Government, but by Britain and her allies as well. Expenditure for supplies of this character must appreciably assist in countering the adverse factors of which I have spoken. It will also exert a most favorable influence upon the important problem of international exchange with which is involved the question of gold export.

To Increase Production.

It is apparent that throughout the Dominion strong efforts have been and will continue to be made to increase production. The enhanced prices of grain and other products will be a great inducement to exceptional exertion along this line. The returns as to fall ploughing and general condition of land are most favorable for a record crop production next year. The intervening period we shall bridge successfully in proportion to the courage and energy displayed by our citizens in their several callings. During wartime it is the duty as well as the interest of all to multiply effort, to increase to the utmost their production, to see that their tools and machinery are repaired and the nation kept strong for the struggle. Our farmers, tradesmen, keenly study their problems and expand wherever possible the scope of their enterprise.

While one hesitates to attempt a forecast in conditions so variable and subject to sudden and violent change it would appear that accumulations of funds by accompanying easier interest rates and increasing confidence on the part of investors will result in a gradual resumption of the sale abroad and at home of securities for needed expenditures on the part of our provinces, municipalities, railways and industries. Such expenditures, even on a greatly reduced scale, together with the outlays in Canada should go a long way towards the restoration of such of our trade and industry as have suffered from the effects of the war. Above all will our commercial improvement, and the world as a whole, should be throughout the world, follow upon the continuing success of the allies. With such continuance legitimate business throughout the world must improve during the remaining period of the war. Should the progress of the war be interrupted international trade and commerce must receive a further setback.

Any Notable Success.

To put it another way: If the exchanges of the world were in operation as before the war any notable success on the part of the allies would cause securities everywhere to rise, with any notable success on the part of the enemy they would fall. Happily, we have no cause to be apprehensive as to the continued favorable progress and ultimate triumph of the arms of the Empire and her allies. So far as any war can be said to go well we have every reason to make the statement as to this the most terrible of all wars. As to its duration it would be idle to hazard even a guess. But one thing is certain that it is long or be it short, the Empire and every part of it are determined that its conclusion must be upon such terms that the ensuing peace will be not a transient truce, not an armistice and armistice, but a real and lasting settlement with securities amply guaranteeing the world against a recurrence of the militarist ambition, the aggressing spirit, the greed of possession, the lust of conquest, which have brought about almost a subversion of our civilization.

COMMENT OF AMERICAN PAPERS ON UNITED STATES GOVERNMENT NOTES

New York, February 12.—The following is the comment of some New York papers on the United States note to Germany regarding the "war zone" decree:—

THE WORLD.—President Wilson's protest against the German Government's "war zone" proclamation is strong and emphatic, but it is neither stronger nor more emphatic than the case requires.

This is almost the language of an ultimatum, but it is the language of an ultimatum designed to maintain peace between the United States and Germany and to prevent war between the United States and Germany.

No neutral government capable of protecting its rights could ever accept the doctrine of maritime lynch law which Germany asserted in its "war zone" proclamation.

When the President warns Germany of the serious consequences of such a policy he is performing an act of friendship which Berlin, if it is wise, will construe as an act of friendship.

The President's note to the British Government protesting against the use of the American flag on British merchant ships is a corollary of the German note. Here again the President is the voice of American sentiment.

The doctrines which the President has defined in these two notes are sound in international law, sound in justice and sound in morals.

THE STAATS ZETTING.—Those who did not know toward which side the sympathies of our administration are inclining, despite all neutrality declarations, only need to compare the contents of the United States notes to Great Britain and Germany.

While the protest sent to England on account of the repeated misuse of our flag resembles a gentle request "not to do it again," the note to Germany, despite the polite language, is kept in a threatening and provocative tenor.

Certainly it is the task of the administration to do all in its powers to protect American shipping and to insist in an emphatic manner that the belligerents respect the neutral powers. However, in view of the numerous indefensible interference on the part of England and the consequent damage done to our commerce, protest should have been made long ago in a way that could not be misinterpreted, and Washington should not have waited until conditions became unbearable.

THE PRESS.—In the matter of the use of neutral flags by ships of belligerents on the one hand, and on the other of the treatment of our own ships flying our own flag, the United States Government has addressed itself to both the British and the German Governments in a manner which must commend itself to all Americans and challenge the respect of the world.

What the United States Government declares against destroying American vessels acting within their rights and against sacrificing American lives when they are not forfeit under any rules of warfare, is for the whole world to heed, with the American people unit at the back of President Wilson in his stand, as clear as it is sound, as dignified as it is strong, for the rights and the safety of this nation's citizens and this nation's ships.

ADVOCATES THE DEFINITE REDEMPTION OF CONSOLS

Writer in London "Economist" Presents an Argument in Favor of View That British Government is Really Issuing Debentures.

A correspondent of the London "Economist" writes that consols be made redeemable. He presents the following reasons:—

"By floating a huge war loan, redeemable at par in the comparatively near future, the Government has, in reality, placed a vast debenture issue in the hands of the holders of the old ordinary stock. It is the redemption clause that makes this great change, a higher rate of interest would not in itself have done so. Holders of the war loan are guaranteed both principal and interest; holders of consols are guaranteed interest alone. The difference between the two securities is thus a radical one, and it is difficult to see how the consols market can be saved eventually from further great depreciation. The Government plan is to impose an official minimum—in effect to drive all transactions out of the light of day. Minimum or no, anyone who can work a sum in proportion of 8.5 can see the present value of consols. The optimistic theory that there is more room for them than for the war loan to rise may be countered by the theory that there is also more room for the sky to fall. One is as good as the other—and at the present time as relevant.

"The true remedy for the present artificial situation would appear to lie in the immediate introduction of a measure definitely declaring that consols will be redeemed at a certain future date and at a certain price. Both the date and the price would be matters requiring the careful consideration of financial experts; it is not necessary to hint at either here. The effect aimed at should be to brace up the price of the stock and prevent its further sagging away, while there would be no immediate loss to the State. Nor, indeed, does it follow that there will be any future loss; it is quite within the bounds of possibility that when the war is settled English Government securities may steadily rise. But it is, I believe, as urgently necessary to prevent any further fall in consols as it was for the Government to undertake marine insurance or to face vast risks in connection with bills and Stock Exchange loans.

"It is not merely necessary, but wise. For we must look forward to the unpleasant probability of having to float further loans. Each new loan we may make it, must be at least as attractive to the public as the war loans, and each must tend further to depreciate the value of an irredeemable Government stock. As that value is lowered, the power of the holders to advance further loans to the State becomes diminished, and as these holders include all our banks and financial institutions, this result is a most serious one. Nor can we omit from our consideration the great moral effect that a wise rehabilitation of consols would have upon future lenders to the State, nor the bad effect which the present situation must produce. It is easy for anyone gifted with ordinary foresight to see that for any one war is over there must be a general readjustment and consolidation of our State securities. As a first step, the conversion of consols from an irredeemable security into one with a fixed future redemption date can merely be considered as the intelligent anticipation of an inevitable future financial policy."

FORCE OF ITALIAN PATRIOTS.

London, February 12.—General Ricciotti Garibaldi, who has lost two sons in the French army and who recently came from Italy to interest the British military authorities in his scheme to raise Italian volunteers to fight on the side of the Allies, called on the Lord Mayor of London this afternoon and set forth his hopes and desires. The Italian general showed anxiety to raise and lead a force of Italian patriots.

OFFERING ONTARIO BONDS IN STATES.

New York, February 12.—Wm. A. Read and Company are offering privately at 101 to yield over 4 1/2 per cent, the \$3,000,000 Province of Ontario 3 year 7 per cent bonds recently purchased by them.

The principal and interest of the bonds is payable in New York and Toronto.

The total funded debt of the province on October 31st, 1914, less sinking funds was \$29,742,551, less \$11 per cent sinking fund was \$11,385,825 and expenditures \$11,858,825.

There are no direct provincial taxes.

MARITIME PROVINCE SECURITIES

(Quotations furnished by J. C. Mackintosh & Co. Members Montreal Stock Exchange, 166 Hollis Street, Halifax, N.S.)

	Asked.	Bid.
Eastern Canada Savings & Loan	110	110
Eastern Trust Company	115	115
Maritime Tel. & Tel. pfd.	88	85
Do, Common	72	72
Nova Scotia Underwear, pfd.	85	80
Do, Common	55	55
Porto Rico Telephone Common	50	47
Stanfield's, Limited, pfd.	85	81
Stanfield's, Limited, Common	45	42
Trinidad Electric	72	65

Bonds.

Brandram-Henderson, 6 p.c.	95	90
Eastern Can, 6 p.c.	98	94
Maritime Nail, 6 p.c.	109	107
Maritime Tel. & Tel. 6 p.c.	102	100
Porto Rico Telephone, 6 p.c. with 10 p.c. stock bonus	100	98
Stanfield's, Limited, 6 p.c.	95	95
Trinidad Electric, 5 p.c.	88	85

DOMINION COAL COMPANY

A SESSION OF THE COURT OF KING'S BENCH (Crown Side), holding criminal jurisdiction in and for the DISTRICT OF MONTREAL, will be held in the COURT HOUSE, in the CITY OF MONTREAL, on MONDAY, THE FIRST DAY OF MARCH NEXT, at TEN o'clock in the forenoon.

In consequence, I give PUBLIC NOTICE to all who intend to proceed against any prisoners now in the Common Jail of the said District, and all others, that they must be present then and there, and I also give notice to all Justices of the Peace, Coroners and Peace Officers, in and for the said District, that they must be present then and there, and their Records, Rolls, Indictments and other Documents, in order to do those things which belong to them in their respective capacities.

Sheriff's Office,
Montreal, 10th February, 1915.
L. J. LEMTEUN,
Sheriff.

VOL. XXIX, No. 235

THREATENED STRIKE OF BRITISH MINERS AVERTED FOR

London, February 11.—There will be no strike of the Yorkshire coal miners as had been threatened by the mine owners. The increase in wages offered by the mine owners has been accepted by the miners. The decision affects 60,000 miners. The increase in wages brought about by the mine owners has been accepted by the miners. The increase in wages brought about by the mine owners has been accepted by the miners.

RAILWAY MEN IN ALL PARTS OF ENGLAND

London, February 11.—The railway men in all parts of England are agitating for an increase in wages. The railway men in all parts of England are agitating for an increase in wages. The railway men in all parts of England are agitating for an increase in wages.

INDIAN TRADE HAS RECOVERED STEADILY SINCE EMDEN'S DESTRUCTION

London, February 12.—The Indian trade has recovered steadily since the destruction of the Emden. The Indian trade has recovered steadily since the destruction of the Emden. The Indian trade has recovered steadily since the destruction of the Emden.

STATISTICAL SHOW THAT AFTER FIVE YEARS INDIA IS DOING MORE BUSINESS THAN BEFORE THE WAR

London, February 12.—Statistical show that after five years India is doing more business than before the war. The Indian trade has recovered steadily since the destruction of the Emden.

CONSUMERS REALIZE THAT PRODUCTION OF COPPER IS NOT AS ANXIOUS TO CONSUMERS AS IT WAS BEFORE THE WAR

London, February 12.—Consumers realize that production of copper is not as anxious to consumers as it was before the war. The Indian trade has recovered steadily since the destruction of the Emden.

DIFFERENCE BETWEEN COTTON MARKETS OF THE DEPARTMENT OF AGRICULTURE

Washington, D.C., February 12.—The difference between cotton markets of the Department of Agriculture is expected, announce shortly the results of a meeting of the Revision Committee of the Cotton Exchange will be held tomorrow.

ROLLING ON LIQUIDATION OF LIVERPOOL COTTON

Washington, D.C., February 12.—Intelligence from Liverpool indicates that the cotton market is rolling on liquidation. The Indian trade has recovered steadily since the destruction of the Emden.