

to speculative real estate operations, yet underlying business conditions are healthy, and except perhaps for the lumber trade in British Columbia, the condition of our natural industries is generally satisfactory. Mr. Mackenzie's address contains one particularly interesting passage showing the sound and conservative policy followed by this Bank. "I cannot," he said, "offer any prediction as to the time when the full tide of prosperity will return to Canada, but it is well to keep in mind that general business is by no means depressed, and I may remind you that the interests of this bank are almost entirely connected with the natural industries and with manufacturing and commercial enterprises. We have no interest in company promotions, mergers, or other operations of that kind, and few advances for other than strictly business purposes. A policy of perfection in this matter is not possible, but as nearly as may be we try to confine our advances to loans to business people for the legitimate purposes of their business, and with a source of repayment in sight from liquid assets." A continuance of this policy cannot but be satisfactory both to the Bank and its clients.

EXCESSIVE TAXATION OF INSURANCE COMPANIES.

What the excessive taxation of insurance companies of insurance companies means in a particular instance is graphically shown by the experience of the Ocean Accident and Guarantee Corporation last year. In 1913, the Ocean had to pay up in Government taxes in Great Britain, Canada, the United States and the various other fields in which it operates no less a sum than \$251,555, equal to nearly 2½ per cent. of the year's premium income. To say that this is an excessive rate of taxation is to put the case mildly, yet its constant tendency is to grow bigger and bigger, and every taxing authority that gets hard-up (and they are always getting hard-up in these days) makes another levy on the insurance companies and other financial institutions, first thing as a matter of course.

At the same time the vitriolic critics who are always shouting about the excessive expenses of the insurance companies quite forget that a very considerable proportion of these expenses consists of this taxation. So that the insurance companies find themselves assailed on both flanks, while their policyholders who are the people mostly concerned, know nothing of these attacks, or if they do, get partial accounts from one or other of the attacking parties, and passively approve the onslaught. If the companies printed in a brilliant red on their receipts for premiums received "2½ per cent. (or whatever the proportion might be) of this premium is being paid to the Government as taxation," perhaps there might be a chance of policyholders getting acquainted with the real facts of the case.

The London *Economist's* statement of new capital issues in London during the first quarter of the year shows a total of £97,610,000. This is the largest amount since 1910, when the quarter's total was £99,355,600. For the corresponding quarter of 1913, the amount was only £50,344,700 and in 1912 £47,966,100.

MINISTER OF FINANCE ON OUTLOOK.

A Time for Confidence and Courage—Worst of Financial Stringency Over.

In referring to the immediate business outlook in the course of his budget speech on Monday, Hon. W. T. White adopted an optimistic attitude which should serve to cheer up a good many business men who are at present in the dumps. He described the present as a time for prudence and caution, but also for confidence and courage, and expressed the opinion that the worst of the financial stringency is over, and that on the economic experience of the past we are now justified in looking for much more normal monetary conditions.

STRENGTH OF CANADA'S POSITION.

"What is our present outlook," said Mr. White, "Bankers and business men unite in the opinion that while it is a time for prudence and caution it is also a time for confidence and courage. The strength of Canada lies in her vast natural resources. Any depression, generally speaking, can be but temporary in character until such time as normal money conditions, joined with business confidence, again restores the wonted activity of the nation. While this is so we must not close our eyes to the fact that we have been passing through a period of considerable inflation. Our railway policy has resulted in the construction of two vast new systems within the past dozen years. Construction upon the main line of these systems is nearing completion. It must, however, be borne in mind that railways are never completed, are always building and rebuilding, always extending their branches and feeders. I do not, therefore, look for any abrupt cessation in connection with our railway construction."

REAL ESTATE SITUATION.

Dealing with the situation in Canada in regard to real estate the Minister said: "There has been in real estate throughout Canada a long expected setback in values of speculative, suburban and business properties. On the other hand the values of farm and central business and residential city properties are, generally speaking, not only being maintained but will undoubtedly with the growth of the Dominion tend to appreciation. On the whole the readjustment which is going on in real estate conditions throughout Canada is recognized as inevitable and salutary. Commercial prospects for the immediate future seem to me to be encouraging. Conditions will, I think, gradually improve with returning confidence and easier money."

WORST OF FINANCIAL STRINGENCY OVER.

Dealing with the budget outlook for the new fiscal year Mr. White said: "The amount of revenue during the coming year will depend very much upon the trend of business throughout Canada. We have experienced a considerable falling off during the past few months, but it is my expectation that these declines will with the coming of spring be relatively smaller and my hope that next fall we may regain the losses, if any, of the earlier part of the year."

"So far as the financial stringencies are concerned we may consider that the worst is over. From this time forward, until the culmination of the next economic cycle, we are, on the economic experience of the past, justified in looking for much more normal monetary conditions."