

The Canadian Bank of Commerce

Head Office—Toronto, Canada

Paid-up Capital	- - -	\$15,000,000
Reserve Fund	- - -	\$13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
 SIR JOHN AIRD - - - - General Manager
 H. V. F. JONES - - - - Assistant General Manager

This Bank has 370 branches throughout Canada, in San Francisco, Seattle, and Portland, Ore., and an agency in New York, also branches in London, Eng., Mexico City and St. John's, Nfld., and has excellent facilities for transacting a banking business of every description.

Savings Bank Accounts

Interest at the current rate is allowed on all deposits of \$1 and upwards. Careful attention is given to every account. Small accounts are welcomed. Accounts may be opened and operated by mail.

Accounts may be opened in the names of two or more persons, withdrawals to be made by any one of them or by the survivor.

The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

Paid-up Capital	- - -	\$4,866,666.66
Reserve Fund	- - -	\$3,017,333.33

Head Office in Canada, Montreal
 H. B. MACKENZIE, General Manager

Advisory Committee in Montreal
 Sir Herbert Ames, M.P., W. R. Miller, W. R. MacInnes

Branches in British Columbia

Agassiz	Kerrisdale	Prince Rupert
Ashcroft	Lillooet	Rosland
Duncan	North Vancouver	Trail
Esquimalt	150-Mile House	Vancouver
Hedley	Prince George	Victoria
Kaslo		

YUKON TERRITORY DAWSON

Savings Department at all Branches.
 Special facilities available to customers importing goods under Bank Credits.

Collections made at lowest rates

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued; negotiable anywhere.

Vancouver Branch
 WILLIAM GODFREY, Manager
 E. STONHAM, Assistant Manager

bankruptcy, as individuals do—except in rare instances, when they have lost political independence. So long as a nation is an entity politically, it can never be bankrupt. The country may default, as numerous lands have done in the past, and are certain to do in the future. The creditors will have to compound; the latter may refuse to trade with a defaulting nation for a while—but only for a while. Brazil, China, Russia, Austria and numerous others have been in seriously embarrassing situations quite often; but that has not prevented the volume of trade increasing month to month, year to year. So long as a nation can produce goods, can trade and remain politically independent, it cannot become bankrupt. There is no embarrassment which a nation cannot surmount, under ordinary circumstances.

Let us take the case of the four great nations, whose debts are piling up, and whose bankruptcy is feared. The case of the United States is unique in that the country will have spent nearly as much in two years, i.e., April, 1919, as England and Germany in four and one-half years. By April, 1919, the United States will have spent \$37,000,000,000 on the war, of which loans to the Allies would amount roughly to \$11,000,000,000, giving a net balance of expenditure of \$26,000,000,000. Great Britain will have spent \$43,000,000,000 by April, 1919, of which loans to the Allies and dominions would total \$10,000,000,000—giving a net balance of expenditure of \$33,000,000,000. France's expenditure is not well known, although credits would total about \$25,000,000,000 by April, 1919. German expenditure is not far short of that of England, and like the latter country, she had to loan funds to her allies, Austria, Bulgaria and Turkey.

Now, how are these amounts to be repaid? How are the charges on these amounts to be met after the war, and normal expenditures of the state maintained? For both England and Germany, the interest on the debt alone will amount to \$1,750,000,000 a year—if the war is over by April, 1919. In order not to complicate the subject, I will take England and discuss its position from the point of after-war finance. The after-war annual expenditure of England is expected to be made up as follows:

Interest on debt	\$1,750,000,000
Sinking fund	350,000,000
War pensions	250,000,000
Normal expenditures	1,400,000,000
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		\$3,750,000,000

Before the war taxation brought \$1,000,000,000; for the current fiscal year it is expected to bring in \$3,200,000,000. It must be understood that there will be no war profits or excess profits taxation after the war—the two sources which are expected to bring in \$1,600,000,000 in the current year. It is idle to expect the Allies or dominions to be able to pay capital or interest on the loans made to them during the year, as they will be even more embarrassed themselves. The expenditure on war has passed the stage in which ordinary measures can cope with the situation. It is becoming patent that no taxation to yield \$3,750,000,000 a year can be levied, without upsetting the whole economic fabric of the country. Maintaining the debt and spending the amount mentioned would lead them nowhere. Consequently, it is but fair to assume that such measures as will not keep the nation permanently crippled will be adopted.

Now the financial position of England on April, 1919—
 Continued on page 17.

THE HOME BANK OF CANADA

Original
Charter
1854

Head Office: Toronto

Branches and connections throughout Canada
 A General Banking Business Transacted.

SAVINGS DEPARTMENT

Interest paid on deposits of \$1.00 and upwards.

J. F. MACDONALD, Manager

446 Hastings St. West - - - - Vancouver, B. C.