

Some important changes are announced in the management of the head office of the Bank of Montreal, principally in the direction of promoting younger officers of the bank to higher and more responsible positions. With respect to such appointments it may be said, in general, that the directors of the Bank of Montreal have a perfect knowledge of the requirements of the institution, and may be trusted to appoint only such men as are fit for their respective positions.

THE TAX ON COMMERCIAL COMPANIES.

There can be no doubt that the tax on commercial companies, which we cannot be surprised at the Quebec Government feeling itself bound to collect, will bear with exceptional severity on the smaller associations. All commercial companies, however low the amount of their capital, pay the same amount of tax as they would pay if their capital were \$250,000; in other words, every company having a capital of that amount and of any figure below it has to pay a tax of \$150 a year. In the ascending scale, each additional \$250,000 pays only one third as much as the first \$250,000. This inequality will operate to the serious detriment of the smaller companies. One company has a paid-up capital of only \$800—the Cheese Company, of Plessisville—and when it pays the five years' arrears of taxes its capital, supposing it to have no reserve on which to draw—and it could not have much, if any, its capital will be nearly wiped out; only \$50 will remain. It is now apparent that the details of the measure were ill considered, or such a thing could not have happened. Of course if the tax had been paid as it should have been, year by year, the wiping out of capital would have been less serious; still \$150 tax payable from a capital of \$800 is far too heavy to be within the bounds of reason. If it be said that no company with so low a capital ought to have come into existence, the answer is that it was created under the law and to that extent the law is responsible.

M. Mercier has good reason for admitting that the tax law requires modification. It is clear, in the first place, that the minimum tax, on the smaller companies, is too high. The graduation of the tax on banks, by jumps of \$250,000, is well enough; it is not inequitable as between the different banks of varying capital, but there is a large number of companies with small paid-up capitals, to which, the smaller of them especially, an annual tax of \$150 is a serious item. A Montreal contemporary reproduces from the books of a commercial agency the several amounts of the paid-up capital of the different companies of which the capital is below \$250,000. A glance at the list will show the hardship of the minimum rate on the smaller companies:—

MONTREAL.	PAID UP CAPITAL.
Canada Fibre Co.....	\$25,000
Canada Jute Co.....	35,000
Canada Wire Co.....	12,500
Canadian Subscription Co.....	8,000
Canada Railway News Co.....	30,000
La Patrie.....	50,000

Dominion Leather Board Co.....	20,000
Dominion Type Founding Co.....	50,000
Gebhardt Berthiaume Ptg. Co.....	14,000
Gilbert Blasting and Dredging Co.....	30,000
Goodyear Rubber Co.....	25,000
Herald Company.....	40,000
La Cie D'Imprimerie Generale.....	35,000
La Minerve.....	39,000
Lang Manufacturing Co.....	35,000
Le Monde.....	50,000
Major Manufacturing Co.....	30,000
Malleable Iron Co.....	10,000
Montreal Biscuit Co.....	13,500
Montreal Blanket Co.....	18,000
Montreal Bottle and Glass Co.....	7,000
Montreal News Co.....	7,500
Montreal Optical and Jewellery Co.....	25,000
Montreal Steam Laundry Co.....	36,000
North American Glass Co.....	35,000
Perrault Printing Co.....	50,000
Post Printing and Publishing Co.....	25,000
Railway Safety Appliance Co.....	7,500
Richards' Merchant Tailoring Co.....	16,000
Shoe Wire Grip Co.....	22,500
Sincennes McNaughton Line.....	50,000
South American Trading Co.....	3,500
Star Button Fastener Co.....	50,000
Taylor Mfg. Co.....	20,000

ST. HENRI.

Canada Cutlery Co.....	29,330
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QUEBEC.

Canadian Shoe Co.....	1,000
Dominion Shoe Co.....	5,000
Quebec Shoe Co.....	10,000
Quebec Street Railway.....	28,500
Quebec and Levis Electric Light Co.....	50,000

BUCKINGHAM.

British and Canadian Mica and Mining Co.....	33,000
Buckingham Pulp Co.....	42,000

DANVILLE.

Danville Slate Co.....	25,000
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GRANBY.

Granby Rubber Co.....	10,000
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HUNTINGDON.

Huntingdon Organ Co.....	13,000
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JOLIETTE.

Compagnie a Bois de Joliette.....	18,000
“ de Tabac “.....	15,000
“ d'Imprimerie “.....	2,500
Joliette Foundry Co.....	9,000

ST. HYACINTHE.

L'Union Printing Co.....	5,000
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ST. JOHNS.

Standard Drain Pipe Co.....	42,000
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SCOTSTOWN.

Scotstown Chemical Pulp and Paper Co.....	50,000
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SHERBROOKE.

Burton Brewery Co.....	20,000
Dominion Snath Co.....	30,000
La Compagnie Typographique des Cantons de l'Est.....	5,400

SOREL.

Richelieu Printing Co.....	5,000
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VALLEYFIELD.

Valleyfield Electric Light Co.....	1,000
Valleyfield Waterworks Co.....	3,000

SOMERSET.

La Fromagerie de Plessisville.....	800
Plessisville Foundry Co.....	39,800
Plessisville Manufacturing Co.....	

If the scale of tax, as it affects the smaller companies, struck the large companies, in the ascending order, with equal severity the law would, at its inception, have been seen to be intolerable.

We are told on the highest legal authority that this is a direct tax; otherwise looking at the economical aspect of the tax, we should have concluded, that the blow would sometimes rebound, and strike third parties. It is clear of course that the Fromagerie de Plessisville company cannot raise the price of cheese above the market rate, or collect from its purchasers one dollar of the tax which it pays; but it is not so certain that the Canada Wire Company, for instance, cannot get something back from

its customers, or that in this way the farmers will not have to pay a trifle of tax when they put up wire fences. It would seem that many of the companies have been buoyed up with the hope that they would not have the tax to pay; that its imposition would be declared illegal, and they many not all have made the necessary provision for its payment. The large companies have reserves to draw upon; but several of the smaller ones have not the same resource. Much money has been spent in litigation, which cannot be recovered, since the costs fall on the litigating companies. The several companies are in this position: they have been contending that the tax was indirect, that it is a tax which they could collect from their customers; and if they believed in this contention, prudence would have required them to do so, since the result of the legal contestation was uncertain. Have they done so? If they have, they will not be hurt by the tax. As a matter of fact, there is no reason to suppose that any considerable proportion of the companies, if any of them, have collected the tax from their clients: and it will therefore fall on their own shoulders with the force of five years' accumulation.

The question of modifying the law remains; modification is favorably received by the local government, and it is as good as certain that something will be done, in that direction. It is obvious that relief will require to be given to the smaller companies, by reducing the minimum tax. If, in the higher figures, a reduction can be effected, all that is possible, in the present temper of the *habitant* which is likely to be permanent, will be done. No doubt the government will not err for want of advice, for of advice it is sure to get a good supply. There are other conceivable cases in which the tax, no matter how equitably arranged, as between different companies, may work hardship. It is conceivable that there may come an unfortunate year, in the history of any company, large or small, in which it might fail to make any profit, and in that event, the tax would work an impairment of capital. The impairment of capital through taxation is always a matter of regret; as a general rule, it can and ought to be prevented; the only question here is, whatever exceptional cases can or should be provided for. This, if done, would somewhat detract from the certainty of the tax, which, from a financial administrator's point of view, is an ever-present requisite. It is something to have an assurance that modification may be looked for; and it should be the aim of all concerned to make that modification as equitable as possible.

—Newfoundland is to adopt a decimal currency on the first of the New Year, when her cumbersome system of £ s. d. will disappear. She has been to some extent preparing for this change by the issue of \$2 gold coins, and the banks, it seems, have followed suit by \$2 notes. The adoption of the decimal system brings Newfoundland into monetary harmony with Canada, and prepares her still further for her probable destiny, that of becoming a thriving and prosperous member of the Canadian Confederation.