

Taxation of Undistributed Earnings.

President Taft has sent a message to Congress recommending a tax of two per cent. upon the undistributed net earnings of corporations, and a resolution submitting to the several States a constitutional amendment authorizing Congress to impose an income tax. If the States are as jealous of State rights and State sources of income as our Provinces are of Provincial rights and Provincial sources of income there is no danger of the constitutional amendment becoming law. It is quite possible that the tax on the undistributed earnings of corporations may pass if only to gratify public curiosity by giving government officials the right to pry into the accounts of the great business corporations, but its chief practical effect will be to encourage directors to see that they leave no net earnings undistributed. It will also lead to endless litigation to determine what are net earnings. If companies are to be taxed when they provide for a rainy day, when they attempt to ensure steady regular dividends or to anticipate unknown contingencies, they will adopt all kinds of expedients to evade the tax. They will pay the last cent of their earnings in dividends, or they will spend lavishly on improvements. As a last resort they might even prefer to increase the emoluments of the directors rather than "waste the money" in taxes.

Earthquake in France.

The earthquake epidemic has reached the south of France, where about a hundred lives were lost and a hundred people injured by the shake-up, besides much property being destroyed. An esteemed contemporary commenting on the long succession of seismic troubles says: "It can be hoped that they are nearly finished. It does not make for human comfort or satisfaction to think that the basis of all things physical is so uneasy." Perhaps not, but neither does it make for human comfort or satisfaction to remember that when Mother Earth ceases to quake she will be a dead planet, and subsequent proceedings in this world will interest us no more. Earthquakes are essential symptoms of planetary life. When the earth's crust becomes quiescent this will be a dead world, and will probably remain a long time dead. The best thing to hope is not that the earthquakes are nearly finished (because then we shall be near or beyond our finish), but that when they do occur we and all other good and fair-to-middling people may be saved, if not by presence of mind, by absence of body.

The Late Sheriff Thibaudan.

The death of the Hon. Joseph Rosaire Thibaudan, Senator since 1878, and Sheriff of Montreal since 1890, deprives Montreal of one of its most popular citizens. He has taken a very prominent position in the public life of Canada, especially in that of the Province of Quebec, and also in the commercial life of Montreal. His courtesy and tact in a position requiring both those qualities in a high degree were unfailing and there will be the deepest regret at his taking away. The deceased was associated in insurance circles as chairman of the Canadian board of the Yorkshire Insurance Company.

Suffragettes and Militant Suffragettes.

Mrs. Catt addressing the Inter-urban Woman's Suffrage Association of New York, explained the difference between the "suffragettes" and the "militant suffragettes" of England, and expressed the hope that there would be no such division, on this side of the ocean. That is all very well, but if two women ride a horse, one must ride in front; and the question arises, which woman does Mrs. Catt want to see in front, the suffragette, pure and simple or the suffragette militant? Our impression is that wherever she rides the militant suffragette will get there first, even if the horse has to be backed in the last lap.

NOVA SCOTIA STEEL & COAL BONDS.

Existing bondholders of the Nova Scotia Steel & Coal Company and the investing public will both be interested in the announcement, elsewhere in this issue, regarding the company's offering of part of its new \$6,000,000 bond issue. This consists of 5 per cent., first mortgage 50-year gold bonds with a cumulative sinking fund of $\frac{1}{2}$ p.c., redeemable at any time by the company before maturity at 105. The mortgage securing the bonds covers all the ore, coal, timber and other lands, buildings, mines, minerals, collieries, smelting furnaces, steel mills, coke ovens, rolling mills, forges, coal and other fixtures, plant, machinery, patents, railways, wharves, rolling stock, franchises, privileges and so forth (present and future acquired) of the company in Canada and Newfoundland.

The company reports average earnings of \$880,000 per year during the past three years—equivalent to about three times the interest on the entire bond issue.

The present bondholders of the company whose bonds are to be redeemed at 110, are given the privilege of exchanging their present holdings at 110 for the new bonds at par, or the 6 p.c. debenture stock of the company at par, accrued interest to be adjusted. Those bondholders wishing to avail themselves of either of these privileges are required to communicate their wishes to the Eastern Trust Co., Halifax, on or before June 22, to which company also are to be sent applications for purchase of bonds.

It will be remembered that the president in addressing the shareholders at the annual meeting stated that under the plans adopted the company would obtain about \$1,500,000 of new money after paying off its bank account of \$1,000,000 and that the fixed charges would remain practically the same as before. He also estimated that the fixed charges would be practically \$100,000 less by redeeming the old bonds than if they were allowed to stand and \$1,500,000 borrowed on a third mortgage.

NO CANADIAN LIFE INSURANCE AGENT should fail to make use of the aid afforded in his work by THE LIFE AGENTS' MANUAL. Published by THE CHRONICLE, it may be had for \$2.00, well bound in flexible leather.