

ABSTRACT OF BANK RETURNS.

31st January, 1901.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total
Capital paid up	35,584	22,814	8,337	66,436
Circulation	21,111	17,762	6,652	45,025
Deposits	149,300	138,313	42,119	329,736
Loans, Discounts and Investments	158,418	144,432	47,300	350,160
Cash, Foreign Balances (Net), and Call Loans	64,409	44,279	16,066	124,765
Legals	8,776	8,691	3,140	20,607
Specie	5,115	4,174	2,407	11,707
Call Loans	36,730	19,692	5,664	62,087
Investments	15,781	26,360	7,870	50,006

31st January, 1902.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	35,720	23,606	8,294	67,621
Circulation	22,595	19,049	6,940	48,586
Deposits	173,387	155,235	46,882	375,508
Loans, Discounts and Investments	168,938	160,561	50,534	379,550
Cash, Foreign Balances (Net), and Call Loans	81,091	49,312	18,819	149,227
Legals	8,552	9,396	3,943	21,891
Specie	5,242	4,342	2,258	11,843
Call Loans	52,277	22,399	7,592	82,268
Investments	20,744	27,617	9,159	27,523

Government Savings Banks\$ 56,838

Montreal City and District Savings

Bank 13,396

La Caisse d'Economie, Quebec 6,578

Loan Companies 20,000

Bank Deposits\$ 96,812

375,508

\$ 472,320

GOVERNMENT CIRCULATION.

Large\$ 19,789

Small 10,567

\$ 30,356

Gold held, \$16,427 or 50 per cent.

MUNICIPAL TAXATION.

For purposes of municipal taxation the average value of a merchant's stock was a poor criterion of his income; it was no sure gauge of the activity of his business, on which his income from profits would come, so that there will be no regrets at its departure, if the recommendations of the Ontario Assessment Commission be carried out in legislation. The substitution in its place of the rental value of the premises in which business is carried on gives a standard more easily ascertained; but even here, if we can get at the amount in each case with certainty, we shall not get rid of inequalities. The rule which is recommended for traders is not to apply to persons whose incomes are derived from other occupations, or rather it is to be supplemented, in their cases, where incomes are large. They are to be taxed on the rental up to what is chargeable on an income of \$4,000, and directly upon the balance of the income above that amount. The difficulty will be, as it is now, to ascertain the incomes. The commissioners write strongly against taxes on personal property, and back their reasoning by quotations from economists. In Ontario a distinction has always been made between personal property held for profit, or income, and personal property held for private use and enjoyment; and the distinction shows that the income was the thing aimed at. Now, if one class of incomes cannot be got at, what guarantee have we that we can

be sure about another class? In the case of the tax on rental up to \$4,000 and a direct tax on income above that amount it will be necessary to find what a single income is, at two stages: first, below, and next above \$4,000. Much of the reasoning to which the Commissioners refer, as used in the United States against taxes on personal property, is generally directed against an income tax. In fact no tax is there more condemned by the parties interested. But it remains true that an income tax is theoretically the fairest; though Mill thinks that in practice it is not of the most equitable. People will, when they can, shift taxes required from them upon others; but they can seldom shift them at will; prices of goods depending not upon the will of sellers, but upon the state of the market and the pressure of competition. On the incidence of taxes, with reference to shifting them upon others, the views of the commissioners differ radically from those expressed, in a memorable case, by the Privy council.

CANADA PERMANENT & WESTERN CANADA
MORTGAGE CORPORATION.

Ever since the beginning of 1899, when agreements looking to amalgamation were entered into by the four loan companies which compose this large financial concern, much interest has been felt in financial circles in the outcome of so important a step. For this is the largest of all Canadian organizations of the kind. A weighty and difficult task was before the management. The work of four different sets of administrators was to be freshly allotted, as it were. Old loans and new loans were to be decided upon; borrowings were to be renewed or paid off; lock-ups and slow accounts were to be dealt with; a fresh valuation was to be made, and the minute details considered of mortgage loans exceeding twenty millions. Seventeen months have gone by since the first general meeting of the corporation, and we have the report submitted at the meeting on Monday last.

The handling of total assets amounting to \$23,193,000 has resulted in net profits for the year of \$385,070, equal to about six and a half per cent. on capital and 5.174 per cent. on capital and rest combined. There was, besides, \$106,015 brought forward from the previous year. Thus, after payment of dividend and business tax, \$130,397 of surplus profits remained to carry forward. More than one-half the properties on the hands of the corporation have been disposed of during the year. In some cases profits were realized on these, and where losses were made prompt writing off was done. But for this, doubtless, the profits shown would have been greater. The funds loaned to the corporation increased during 1901 from \$14,967,000 to \$15,436,000. And it is a noteworthy and, we think, a welcome circumstance, that while borrowings in Great Britain have somewhat decreased, the moneys placed with this company by Canadians on deposit or exchanged for debentures increased by between \$500,000 and \$600,000.

The chairman of the meeting, Mr. J. Herbert Mason, referred with pardonable gratification to the probable auspicious effect on future earnings of the pleasing fact of realization upon many properties held for sale, and upon the further economy that must result