since January 1st for any consideration other than cash, the fair value of the stock at the date of its issue shall be deemed to be the amount paid up on such stock. In estimating the value of stock issued for any consideration other than cash, regard should be had to the value of the assets, real and personal, movable and immovable, and to the liabilities of the company at the date as of which such value is to be determined.

"In no case shall the value of the stock be fixed at an amount exceeding the par value of such stock. In other words, what we propose is that where stock has been issued for cash, the amount paid upon the stock shall be the amount of cash so paid upon the stock, but not, of course, exceeding par. Where the amount paid exceeds par, that would appear in the reserves of the company, so that no injustice is done in making the limitation par. Where the stock of a company has been issued, for consideration other than cash, prior to January 1st, 1915, we propose to say that the amount paid up on the stock for the purpose of this act is the fair value of that stock as at January 1st, 1915."

Since the important changes have been made in the tax resolutions, company managers, lawyers and accountants have spent most of the week figuring just how the act affects the companies in which they are interested. At the time of writing, they still appear to be figuring without having arrived at any clear result. Far too much worrying has been done in regard to the new taxation proposals. They are of such a nature that their actual application will soon solve a number of problems with which business men have vainly wrestled this week by the light of midnight oil.

SHOULDER TO SHOULDER

In the heavy mail which *The Monetary Times* has received respecting the proposed taxation, is the following letter from a prominent business man and financier of Western Canada:—

"I am getting a little tired of hearing protests to the government from interested parties saying 'Do not tax us, tax somebody else; do not do this, it is going to interfere with our business.' We are into a war now in which we must be spending a million dollars a day or over. The government has to find some way of furnishing this money, and if this war lasts for any considerable length of time, as it easily may do, the government will have to turn to not one or two but to every expedient that it can think of to raise money. After they get through with the corporation taxes then they will have to get down to a general income tax all over the Dominion of Canada on all incomes of $2,000 and up.

"My attitude in this matter is simply to stand by and make no protest whatever of any description. The only thing I really felt like making a protest against was the retroactive clause, but that was only on the general principle that I do not believe in any retroactive legislation. The government must get the money from somewhere and in the long run everybody will have to contribute from every source that can be tapped. The surprising thing probably will be that we can do it and still get along a great deal more easily than we anticipate, and I think we should be very thankful that we are so very much better off in this respect in Canada than they are in England."

All of which is very refreshing opinion after the loud din of budget protest.

ONTARIO TAXES

The budget brought down in the Ontario legislature this week proposes the raising of additional revenue of $410,000 per annum by means of an increased tax upon racetracks and a tax of one cent on each admission to places of amusement. These are very reasonable taxes. They follow largely the suggestions which have been heard frequently since the outbreak of the war from "the man on the street." The patrons of racetracks can afford to pay the proposed tax of $1,250 per day for every day there is racing, this being an increase from $500 per day. The one cent tax on each admission to places of amusement will probably be regarded as a very small tax, although if it raises the additional revenue required, it is sufficient. The tax may be increased by regulation or order-in-council to one of 25 cents on each admission. That is too high, except in the event of a very severe crisis. Later advices state that the tax will be graded according to the theatre's admission price.

LOTTERY BONDS

The suggestion that the next British war loan to be raised in Great Britain should include a lottery feature is suggested and generally approved. The plan has the support of many of the leading London papers and the government is giving the matter consideration. The authorities desire to check extravagance in personal expenditure among wage earners. The ordinary bond, even in small denominations, does not attract a sufficiently large number of that class. The issue of bonds, with valuable cash prizes attached to certain numbers which will be drawn in lottery, would probably attract a large class of small investors who like to have, as they would say, "a run for their money." This plan would follow precedents set in peace times in continental countries. It would provide the exchequer with additional funds and divert money from extravagances to bond investments.

WORK FOR ACCOUNTANTS

The principles of the new business taxes of the federal government having now been made clear, their application will undoubtedly call for the services of our chartered accountants. They, more than any, will be able to dissect balance sheets so that financial statements will be put on friendly terms with the new taxation measures. Companies which issued common stock as a bonus with preferred stock or bonds, will have no right to include such stock as capital except to the extent that value has been given to it by business developments since its issue. The value of the stock for taxation purposes will rise according to the amount of "water" that has been pumped out.

Allowance will have to be made apparently for valuable equities which have been placed, in many cases, behind bonus issues. The chartered accountant will have to determine what these equities are. That will require a searching analysis of financial statements. The average company report will be of little use in ascertaining the final estimate of capitalization. The chartered accountant will have to do some digging. As a man who knows that a 9 sometimes becomes an upside-down 6, he will be much to the front.