

THE GENERAL FINANCIAL SITUATION.

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and successful. The services it has performed for Canada and the excellence of its management should entitle the company to considerate if not preferential treatment at the hands of Parliament. When, instead of this, a disproportionate load of taxation is laid upon it, the effect is to deal a blow to the credit and standing of Canadian corporate securities in the international markets. Lord Shaughnessy's remarks showed that while the taxation was discriminatory, yet the company could stand it. He also made it clear that the company's property represented an invested cash value of something like \$290 per share of common stock; and that the position of the stockholders is well fortified by the extraneous investments of the company which amount to \$253,000,000 and which are yielding good returns.

SIR JOHN HENDRIE ON BANK AMALGAMATIONS.

At the recent annual meeting of the Bank of Hamilton the President, Sir John Hendrie, said: "The announcement that the government has given its consent to two recent amalgamations must come as a surprise to many people, in view of its attitude to the negotiations three years ago between the Royal Bank and the Bank of Hamilton. It is to be hoped that, provided the public do not suffer, this consent restores the right of shareholders to deal with their own property in a manner conducive to their best interests. Let me make it clear, however, that the Bank of Hamilton is not for sale. We have no reason to regret that the negotiations were not consummated. Business conditions in this country are so varied that the motives which attract some to the big institution may attach others even more closely to the sound institution of smaller size. For this reason alone we do not imagine that the principle of combination will be carried too far and we believe that most of the wild rumors of further amalgamation will prove unwarranted."

BRITAIN'S EXAMPLE IN FINANCE.

The recent budget speech of Mr. Bonar Law, the Chancellor of the British Exchequer, giving the estimated expenditures and revenues of the United Kingdom for the ensuing financial year, surely was one of the most direct rebukes that could have been delivered to those who, like Industrial Canada in its April issue, believe that "all the pleas and pretexts of free trade have gone down under the strain of war." Never in the world's history has a budget containing an estimated annual expenditure of \$15,000,000,000 been submitted to any people. And never was there a people more able to bear that stupendous burden, and in the bearing of it, more philosophical, than they who inhabit the brave, free islands of Britain.

With increased expenditures on account of the war, Britain's Chancellor of the Exchequer seeks additional income for the nation, not through indirect taxation in the form of customs' duties, or by means of embargoes on manufactured or other goods imported into the country. Great Britain

will raise over \$4,000,000,000 in taxes this year, or more than \$94 per head, by direct levies upon incomes and luxuries. Equity is the characteristic of the British system of taxation. It bears heaviest upon those who are best able to pay taxes. Thus we see heavy super-taxes being imposed upon incomes ranging upward from \$12,500 per annum. Where income and profits' taxes do not effect the people of England, the other taxes on non-essential articles of food, on luxuries and on tobacco and spirits apply broadly. The free trade policy of the motherland still stands strongly vindicated. It leaves the working classes in a position where they have a chance to live under the pressure of the times, and also pay their share of taxation without unfairness or undue hardship. The Canadian government which will present its budget this week will do well to take a leaf from the book of Britain in forming plans for increased revenue.—Grain Growers.

THE NEW INCOME TAX.

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ed new scale is as follows:—\$50,000—\$75,000, 15 per cent.; \$75,000—\$100,000, 20 per cent.; \$100,000—\$200,000, 25 per cent., and thence by steps of 5 per cent. for each \$200,000 income to a maximum of 50 per cent., when a million has been passed. The surtax, it is promised, will not continue beyond the calendar year in which the war ends. What other revisions, if any, of the income tax will be necessary before that time, and what concessions afterwards possible, lies on the views of the gods.

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