

cent., find themselves mulcted to the extent of 80 per cent. of their excess profits. In my opinion, it is very much better to fix a rate of 7 per cent. or 8 per cent. or 10 per cent. as a standard for all companies, and then, if they make excess profits over that rate, to take a proportion of those excess profits. It must be borne in mind that we are not taking all these excess profits. We did not confine the companies to 7 per cent. under the Business Profits War Tax Act of last year. We took only one-quarter of the amount earned over 7 per cent. upon capital as defined in the act. This year we take one-quarter over 7 per cent. and up to 15 per cent. That is to say, if a company is earning 15 per cent., we leave it 13 per cent. and we take 2 per cent. Then, between 15 per cent. and 20 per cent., we take one-half, that is 2½ per cent.

Criticism is Invited.

So that a company earning 20 per cent. gives 4½ per cent. and keeps 15½ per cent. Then we take 75 per cent. over 20 per cent. That is a heavy tax, but we are here getting up to the point where the dividends are abnormal. Take the industrial companies listed on the stock exchanges of this country, and it is not very often that in peace time they show more than 15 to 20 per cent profit. I am aware that many commercial companies that are not listed do show very much larger earnings than that, but probably not when you take into account, what we do take into account in connection with this measure, namely, accumulated profits and unimpaired reserve as part of their capital.

As I have said, I invite fair criticism of this measure. We do not want to unduly tax industry; we do not want to drive capital out of this country, and we do not want to prevent capital coming in. But I do feel that we have a duty towards the public, and that in connection with the prosecution of this war, if abnormal profits are being made in munition supplies or in any industry, which on account of the war enjoys exceptional advantages and is making abnormal sums of money, it is our duty to take a substantial part of that money for the use of the State.

CANADA'S BANK CLEARINGS

The following are the bank clearings for the weeks ended May 17th, 1917, and May 18th, 1916, respectively:—

	Week ended May 17, '17.	Week ended May 18, '16.	Changes.
Montreal	\$ 81,588,415	\$ 74,347,933	+ \$ 7,240,482
Toronto	65,367,154	50,240,714	+ 15,126,440
Winnipeg	54,884,043	36,824,221	+ 18,060,722
Vancouver	7,471,497	5,973,888	+ 1,497,519
Ottawa	5,809,549	5,218,953	+ 590,596
Calgary	6,823,280	3,949,609	+ 2,873,671
Hamilton	4,747,633	3,794,533	+ 953,100
Quebec	3,683,882	3,854,306	— 170,424
Edmonton	2,366,494	2,113,524	+ 252,970
Halifax	2,784,576	2,231,547	+ 553,029
London	2,308,757	2,106,573	+ 202,184
Regina	2,790,068	1,811,286	+ 978,782
St. John	2,132,814	1,717,923	+ 414,891
Victoria	1,528,304	1,499,626	+ 28,678
Saskatoon	1,654,237	1,029,786	+ 624,451
Moose Jaw	1,048,946	767,619	+ 281,327
Brandon	419,179	449,518	— 30,339
Brantford	839,225	634,870	+ 204,355
Fort William	649,511	509,705	+ 139,806
Lethbridge	765,180	456,013	+ 309,167
Medicine Hat	556,855	410,090	+ 146,765
New Westminster	344,830	310,617	+ 34,213
Peterboro	630,438	511,210	+ 119,228
Sherbrooke	614,049	591,835	+ 22,214
Kitchener	672,222	520,076	+ 152,146
Totals	\$252,481,948	\$201,875,975	+ \$50,806,736

Toronto bank clearings for the week ended May 23rd were \$54,903,325 as compared with \$46,715,898 for the similar period in 1916, and \$27,975,902 in 1915.

Mr. Thomas J. Dillon has been appointed general manager of Canada Foundries and Forgings, Limited. Mr. Dillon has had jurisdiction over the western plants at Welland, Ont., the Canada Forgings and Billings and Spencer. This now extends to the James Smart Manufacturing plant at Brockville. Mr. Dillon is also a director of the company.

Bank of Montreal

Statement of the Result of the Business of the Bank for the Half Year Ended 30th April, 1917.

Balance of Profit and Loss Account, 31st October, 1916.....	\$1,414,423.99
Profits for the half year ended 30th April, 1917, after deducting charges of management and making full provision for all bad and doubtful debts	1,182,610.52
	\$2,597,034.51
Quarterly Dividend 2½ per cent. paid 1st March, 1917	\$400,000.00
Quarterly Dividend 2½ per cent. payable 1st June, 1917	400,000.00
Bonus—1 per cent. payable 1st June, 1917.....	160,000.00
	\$960,000.00
War Tax on Bank Note Circulation to 30th April, 1917	80,000.00
	1,040,000.00
Balance of Profit and Loss carried forward.....	\$1,557,034.51

General Statement—30th April, 1917

Liabilities

Capital Stock	\$16,000,000.00	\$16,000,000.00
Reserve	\$16,000,000.00	
Balance of Profits carried forward.....	1,557,034.51	
	\$17,557,034.51	
Unclaimed Dividends	3,126.00	
Quarterly Dividend, payable 1st of June, 1917.....	\$400,000.00	
Bonus of 1% payable 1st June, 1917	160,000.00	
	560,000.00	
	\$18,120,160.51	
Notes of the Bank in circulation.....	\$21,891,437.00	\$34,120,160.51
Deposits not bearing interest.....	91,412,284.99	
Deposits bearing interest, including interest accrued to date of statement	232,731,994.44	
Deposits made by and Balances due to other Banks in Canada	2,873,064.25	
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	514,708.16	
Bills Payable.....	475,789.72	
	349,899,278.56	
Acceptances under Letters of Credit	2,106,162.49	
Liabilities not included in the foregoing.....	681,286.23	
	\$386,806,887.79	

Assets

Gold and Silver coin current.....	\$21,556,501.31	
Dominion notes	30,971,312.25	
Deposits in the Central Gold Reserves	7,000,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	\$ 3,189,919.58	
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	114,156,887.75	
	137,346,807.33	
Dominion and Provincial Government Securities not exceeding market value.....	16,273,465.44	
Railway and other Bonds, Debentures and Stocks not exceeding market value	14,722,192.50	
Canadian Municipal Securities, and British, Foreign and Colonial Public securities other than Canadian	28,090,026.23	
Notes of other Banks	1,716,821.00	
Cheques on other Banks.....	12,327,296.33	
	\$270,004,422.39	
Current Loans and Discounts in Canada (less rebate of Interest).....	\$91,733,075.26	
Loans to Cities, Towns, Municipalities and School Districts	11,380,184.03	
Current Loans and Discounts elsewhere than in Canada (less rebate of Interest)	6,200,179.15	
Overdue debts, estimated loss provided for.....	403,853.45	
	109,717,291.90	
Bank Premises at not more than cost (less amounts written off)...	4,000,000.00	
Liabilities of Customers under Letters of Credit (as per contra)....	2,106,162.49	
Deposit with the Minister for the purposes of the Circulation Fund	790,000.00	
Other Assets not included in the foregoing.....	189,011.01	
	\$386,806,887.79	

H. V. MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General Manager.