

taxing powers of the Province of Ontario, should be completely dissipated, as it creates a prejudice injurious to the credit of Canadian securities. We give, therefore, a synopsis of this Act, very briefly, but covering every point relative to taxation. The first to clauses define what is meant by the different classes of companies named in the Act, and as to what constitute a "Loan," or "Insurance," or "Trust" or "Banking" company. Section 2 reads as follows:—

"In order to supplement the revenues of the Crown in the Province, every company, joint stock company, corporation, association, individual, partnership, syndicate or trust, hereinbefore described, and being one of any of the classes of companies or corporations, or being an individual, partnership, syndicate or trust hereinafter mentioned or referred to, and which transacts business in the Province of Ontario under its, his or their own name or otherwise or through an agent or agents, shall annually pay to the Crown in this Province, each and every year, the several taxes by this Act imposed thereon at the times and in the manner hereinafter provided."

The Act then proceeds to declare what taxes are payable under it, which are:—

1. Banks, one-tenth of 1 per cent. on the capital stock and upwards, *pro rata*, also \$100 for each principal office in the Province, and \$25 for each additional office in the Province, but not on more than one office in each place.

2. Life Insurance companies, a tax of one per cent. and every other insurance company, a tax of two-thirds on gross premiums. These taxes are varied for companies with Head Offices outside Ontario, and whose premium income is less than \$20,000, but which lend money therein, in which case the tax is 1 per cent. on the gross premiums, and 1-4 of 1 per cent. on the revenue derived therefrom, if such investments amount to \$100,000 or over, also a change is made in case of re-insurance.

3. Loan Companies, and Trust companies, a tax according to amount of capital from \$65 upwards.

4. Railway companies, telephone, gas, electric light, sleeping car companies, have to pay according to capital, from one-tenth to one-eighth, or one-third of 1 per cent.

5. Natural gas companies to pay a tax of \$1,500, and Express companies \$800, and \$125 for every 400 miles over 400 on which they operate.

Subsequent clauses define what taxes under the Act release the company levied upon from municipal taxation.

Section 12 fixes a higher tax on insurance companies organized under the laws of a foreign state which imposes a special tax on Canadian companies operating in that State.

Further sections relate to making returns, keeping books, collecting the tax, and the forms to be fitted up by the companies in declaring their capital, premiums, and other details.

It is quite manifest from this synopsis that the new Act of Ontario for enlarging the revenue has

no reference whatever to interest receivable in Ontario payable on Canadian securities held elsewhere than in Canada and by companies not doing business in the Province. As we have said, it was intended to tax such interest, the effect of which would have been that holders of Canadian securities in Scotland and other places outside the Dominion would have had to pay an Ontario income tax, but this intention was abandoned, and very wisely abandoned, for to have made persons living abroad pay an income tax on the interest of capital invested in Canada would have been an iniquity. Foreign investors may always fully rely upon their interests being protected by the Legislatures of this Dominion.

THE BANK OF BRITISH NORTH AMERICA.

An Interesting Address.

In a recent issue of THE CHRONICLE, the half-yearly statement of the Bank of British North America was reviewed, attention being directed to its figures as indicating the satisfactory progress and growth of the bank's business and the remarkable strength of its resources. At the general meeting of the corporation held on the 5th inst., the balance sheet was submitted to the shareholders, and the Chairman, Mr. E. A. Hoare, supplemented the report, already in their possession, with an excellent presentment of the bank's position. The paper read by the Chairman of the Bank of British North America will prove interesting to others than the holders of stock in this old corporation, if only for the reference to the recent bank failures, and the plain explanation of the security afforded to holders of Canadian paper money by the Banks' Circulation Redemption Fund established under the Banking Act of 1890. The very general ignorance of the value of the notes of the Ville Marie Bank shewn by the public when its rottenness was revealed to this community warrants the suggestion that the following extract from Mr. Hoare's address should receive the widest circulation and be posted up in all Canadian banking rooms. He said, in explaining how the banks became responsible for the notes issued by a bank which suspended payment:

"Under the Canadian Banking Act of 1890 all banks carrying on business in the Dominion were required to contribute to the Banks' Circulation Redemption fund, the object of which was that, in the event of the suspension of a bank, the notes then issued by such bank, with interest thereon, should be paid in full. This was a most excellent object, because it efficiently secured the whole of the circulation of all the Canadian banks, a manifest advantage to the community generally in a country where paper money was the ordinary medium of circulation."

An explanation of the figures of the balance sheet already reviewed by us; a comparison of its principal items with those of the corresponding six months of 1898; an instructive account of the bank's operations in Dawson City and throughout British Columbia; and an expression of the respect and esteem felt by Montrealers for the late Mr. Penfold completes a