

prices for products, to put the seed grain lien into its pigeon-hole."

At that time, also, we suggested that more should be told as to how the collection will be made. The first word on this matter is contained in the official statement just issued. It says: "With the object of facilitating such action, the government is arranging with the different grain-purchasing concerns in the west, for their co-operation in the speedy collection this fall, of the amounts outstanding."

Regarding the historic document of Mr. Z. A. Lash, president of the Great North Western Telegraph Company, explaining why certain telegrams were destroyed, it might be added that sometimes it is a "sacred duty" also not to keep inviolate the confidence entrusted.

TAXING MORTGAGE INVESTMENTS

A Western Canadian, who for a number of years has acted as agent in placing loans on farm land in one of the prairie provinces, for a wealthy professional man in the United States, recently submitted some applications to this party, who has considerable cash on hand, and received the following reply: "I would be willing to have you continue making loans in Canada, were it not for the war, but I fear that when it closes, your country will be so burdened with debts that they will levy additional taxes on everything possible, and I think on mortgages held by aliens."

There seems to be absolutely no reason at the present time to anticipate new taxation taking this form. At present, private holders of mortgages escape taxation altogether. Under the corporations' taxation act loan, trust and insurance companies pay taxes on their mortgages while private investors pay nothing. Past experience would lead one to believe that new taxation in the west would take the form of either a direct tax on the land such as Ontario has in vogue or an income tax.

It is no doubt true that the present European war will

impose upon Canadians heavy burdens of taxation, and no doubt our governments will look about for new avenues of levying taxes. Seeing that Canada needs capital, our governments will not likely tax the investments of aliens. Some of the Western provinces now levy a tax on investments made by Canadian institutions on behalf of foreign corporations. While Canadians will be called upon to bear heavy taxes as a result of the present war, what country will not be in a similar position? The United States is certainly not a stranger to "war taxes" of one kind or other. The most effective answer to the United States investor in question is that the higher rate of interest which can be obtained on perfectly safe mortgage security in Canada would take care of any tax which might be imposed upon such investments (although the tax is unlikely), having regard to the lower rates of interest obtainable elsewhere on similar security, and the taxation imposed elsewhere.

In the neighboring State of Michigan, mortgages are taxed, but the non-resident mortgagee escapes the taxation. The result is some wealthy lenders have moved across the borders of the State and still continue their mortgage investments within the State. In this instance, also, Michigan mortgage forms contain a clause making the tax collectable from the borrower. It is doubtful whether the usual practice is to force payment from this source. Some years ago a Canadian loan company made mortgage loans in Michigan. To do this with safety, they had to obtain a license from the Michigan authorities, and this license, they were advised, brought them within the terms of the mortgage taxation. As a result, they at once ceased to do business in that State, and have since withdrawn all the moneys invested there. This is a concrete instance of what happens when an attempt is made to tax alien or non-resident mortgagees. The same result would undoubtedly follow if any of our provinces were so shortsighted as to make a similar attempt.

While the people are loyally digging down to pay war taxes the political robbers of Manitoba have been working overtime. What an advertisement for the credit of the province!

WHY THE NATIONAL POSITION IS GOOD

The demand for the special article in *The Monetary Times* analysing the present position and the outlook in Canada, having been unexpectedly large, it has been decided to issue reprints of it. Those desiring copies should apply to *The Monetary Times*, 62 Church Street, Toronto. Special quotations will be made for quantities.

Applications will be made by the following companies with Manitoba charter to change their names:—Manitoba Contractors, Limited, to Heubach Securities, Limited; C. C. Young Company, Limited, to Bowyer-Boag, Limited.

The following companies have increased their capital stock:—The Elbow Rural Telephone Company, Limited, from \$130 to \$500; the Argyle Rural Telephone Company, Limited, from \$2,000 to \$3,500; South Radisson Rural Telephone Company, Limited, from \$140 to \$350; Adanac Rural Telephone Company, Limited, from \$300 to \$450; Hildahi Rural Telephone Company, Limited, from \$250 to \$300; Goodwater Rural Telephone Company, Limited, from \$290 to \$500, all these companies having Saskatchewan charters: Theatre Company of St. Hyacinthe, with Quebec charter, from \$20,000 to \$49,000.

LAWS GOVERNING MUNICIPAL ISSUES

A synopsis of the laws governing the issue of Canadian municipal bonds has been issued with the compliments of Messrs. Brent, Noxon & Company, investment bankers, Toronto. It makes an attractive booklet of 51 pages, and deals briefly but adequately with the municipal legislation of the various provinces of Canada, in so far as such legislation governs or affects municipal securities. The subject matter was prepared by Mr. E. G. Long, Toronto, a member of the Ontario Bar, in consultation with Messrs. Brown, Montgomery, and McMichael of Montreal, in relation to Quebec law. The work includes amendments to May 1st, 1915, and will be revised and reprinted as further amendments to the laws warrant. The field covered in this useful volume, is a wide one, but the effort to condense it, at the same time retaining enough matter for a very valuable reference, has been accomplished with great success. It is certain that Messrs. Brent, Noxon & Company will have a big demand for copies of their booklet.

The following companies with Saskatchewan charters, have been dissolved:—The Netherhill Trading Company, Limited; the Farmers' Milling Company, Limited; the Last West Engine and Realty Company, Limited; the Melfort Securities, Limited.