

Financial Features

EMPLOYEES PAID 31 PER CENT. OF INCOME TAX.

The Tariff Commission will resume its sittings on Thursday at Charlottetown, and from there it will proceed to points in the Maritime Provinces and Quebec. Before leaving on the eastern tour, Sir Henry Drayton, Minister of Finance and chairman of the commission, said that from the different representations made before the commission during its western trip, it was obvious that the new direct methods of taxation had evoked considerable interest, particularly the income tax and its enforcement.

In this connection, Sir Henry made public a hitherto unpublished tabulation showing in what proportion income tax was assessed last year, on incomes derived in 1918, among different occupations. The tabulations show that 20,445 mechanics were assessed for income tax but their assessments did not amount to more than 1.3 per cent. of the whole income tax assessment, although mechanics constituted 20.5 per cent. of the total number of income taxpayers. Agriculturists assessed numbered 6,493, their assessments being 2.2 per cent. of the whole. Manufacturers assessed numbered 931.

Occupation.	Number of taxpayers.	per cent of whole.	amount of assessment.	Per cent of whole.
Agriculturists	6,493	6.5	\$ 402,970	2.2
Legal	1,699	1.7	350,376	1.9
Medical	3,042	3.0	283,373	1.6
Engineers	986	1.0	136,138	.8
All other professions	5,945	6.0	378,044	2.2
Financial	5,907	6.0	1,124,722	6.2
Employees	37,338	37.4	5,606,759	31.0
Mechanics	20,415	20.5	231,057	1.3
Merchants	10,219	10.2	2,223,651	12.3
Manufacturers	931	1.0	1,555,885	8.6
All others	4,724	4.7	1,387,404	7.7
Corporations	2,039	2.0	4,385,598	24.3
Totals	99,768	100.0	\$18,065,977	100.0

"It is to be noted," Sir Henry remarked, "that in addition to paying the above mentioned taxes under the Income Tax Act, corporations also paid taxes under the special war revenue and business profit tax acts, which, in the last fiscal year amounted to \$46,228,354."

The eastern itinerary of the commission is as follows: Charlottetown, P.E.I., Thursday, Nov. 4; Sydney, N.S., Nov. 6; Halifax, Nov. 8; St. John, N. B., Nov. 9; Moncton, N. B. Nov. 10; Quebec, Nov. 11; Sherbrooke, Nov. 12; Three Rivers, Nov. 13; Montreal, Nov. 15.

B. E. STEEL ISSUE POSTPONED.

The stock issue of the British Empire Steel Corporation, originally set for November 1st, has been postponed. Legal formalities in Canada are taking longer than expected, and in addition the British market is in a depressed condition at present, owing to the coal strike and the general industrial depression.

BOND HOUSE APPOINTMENT.

W. R. Fleming, formerly secretary of the Bond Dealers' Association, of Canada, and secretary of the Dominion executive of the 1918 and 1919 Victory Loan campaigns, has been appointed manager of the Canadian Debentures Corporation at Toronto. Mr. Fleming has been head of the bond department of the Home Bank of Canada since April, 1919.

FOREIGN FINANCING IN U. S.

Although the total of foreign financing arranged in the United States market since September 1 totals approximately \$200,000,000, there is a good deal more being arranged. The Swiss city of Berne is about to secure a long-term loan of \$8,000,000, and it is said that Stockholm is also applying to local bankers for a loan which, if it is arranged, is expected to be about the same size, or possibly a little smaller. South America, too, is to be heard from. Brazil already has opened negotiations and bankers expect a formal announcement to be made regarding a Brazilian loan within a few days. All in all, investment bankers in close touch with the local market say that upwards of \$100,000,000 new foreign business is being considered and that a good part of this probably will materialize.

WOULD POOL WAR DEBTS.

As it was with individuals, so it was with nations, and a nation cannot build its fortune on the misfortunes of other nations any more than an individual can build his fortune up on the misfortunes of other individuals, declared John Jacob Arnold, vice-president of the Bankers' Union for Foreign Commerce, and general manager of H. V. Greene Co., of Boston, Mass., and associated with a long list of financial activities in the United States, in addressing a meeting on world economic conditions in Montreal.

Mr. Arnold referred to the fact that previous to the war Britain, France and Germany had been creditor nations, while the United States had been a debtor nation. The situation had changed as regards the war, but because of the manner in which the United States has become the creditor nation and the other countries the debtor nations, he believed that the United States was occupying a most unenviable position.

"The United States have made no great contribution in the constructive effort of the world," said Mr. Arnold. "The place that we occupy as a great creditor nation is merely that others have gone down, and we have moved up while they suffer."

Mr. Arnold did not believe in pooling the external obligations of

the warring nations, but he did believe that they should all be gathered into one great bond, guaranteed by all the nations, and each nation given opportunity to pay what was due by it. Sir George Parish, he said, had advocated the cancellation of all Allied indebtedness, but Mr. Arnold did not believe that was practical, but believed that some countries might wipe out their internal obligations by a repudiation of currency, but this only where necessary. Mr. Arnold believed the consolidation of the external war debts of the countries would stabilize exchange and restore business conditions that are now stagnant. With such an international obligation the tendency to go to war would also disappear, for there would be a common interest.

RAISED A MILLION IN TWO HOURS.

A special despatch from London, printed in the Wall Street Journal, gives an interesting account of how Lord Northcliffe raised the sum of \$1,000,000 in 100 minutes. The fact, which the correspondent declares was regarded as the outstanding event of the week in London financial circles, was accomplished in selling the new issue of stock of the Anglo-Newfoundland Development Company. Lord Northcliffe was offered ten times the amount of the issue, and the despatch declares that \$100,000,000 might have been obtained in two days had the lists remained open.

"Such success in the flotation of new stocks has not occurred since pre-war days," the correspondent declares, "probably not since the days of the rubber boom. It has surprised and encouraged British directors; and it has proved that there is plenty of money to be had in England by those who know how to advertise for it."

HUGE INCREASE IN CURRENT LOANS.

Of particular interest at a time when so much is heard in financial circles of the credit situation is the September statement of Canadian chartered banks issued at Ottawa last week. It is improbable that at any previous time in the history of the Dominion that the credit structure of the country has been put to a severer test than during the present autumn; demands from commercial and industrial borrowers have been insistent and heavy, a fact which is reflected in the showing in the statement in respect to current loans, which grew in the month by over 32 millions to the record total of 1,417 millions.

The September increase compares with one of some eight millions in August, and 12 millions in July, the figures themselves being eloquent of the effort made by the lending institutions to facilitate the operations of business houses and industries in the trying period referred to. The extension of credit granted cannot but be regarded as indicative of bankers' faith in the ability of the country to adjust itself satisfactorily to the changed conditions prevailing and to assist to the fullest degree in the extension of Canadian export trade.

Of interest, secondary alone to the showing in the way of current loans, is that made by deposits, both demand and notice, the former at 677 millions being almost 27 millions in excess of the August total, and approximately the same over the aggregate reported at the end of September last year. Of possibly greater import, however, was the more modest gain in deposits of the notice or savings category, which grew in the month by 8½ millions to the highest total in the history of Canadian banking. At 1,270 millions deposits of this class were nearly 7½ millions more than those of October, 1919, which up to last month held the record in this respect.

SETTLEMENT OF AUSTRIAN DEBTS.

The Board of Trade has now published the Memorandum communicated by the British Government to the Austrian Government on August 27, relating to the settlement of debts due by Austrian nationals to British nationals by the clearing house system, and the reply thereto received from the Austrian Government.

The most important clauses of the former relate to the degree to which the manner of payment may vary from the provisions set forth in the Peace Treaty. The British Government will not require payment within the periods prescribed in the Treaty. In return the Austrian Clearing Office shall pay to the British Clearing Office not later than March 31, and September 30 in each year, beginning with the year 1921 the sterling value of the amounts collected from Austrian nationals during the previous six months, the sum to be paid in each half-year being not less than £250,000 sterling, or the sterling equivalent of 140,000,000 kronen, whichever of the two is the greater.

Each of the first eight minimum payments to be made may, however, be reduced to the extent of £100,000 or the sterling equivalent of 56 million kronen, by the amounts previously paid in cash direct by Austrian debtors to British creditors, in accordance with arrangements sanctioned by the Clearing Offices and provided out of funds which are not chargeable under the Treaty. Such payments shall continue until the balance against Austria, with simple interest at 5 per cent., shall have been fully met.

The Government proposes that the detailed arrangements for the restitution of British property in Austria should form the subject of a further agreement to be arrived at at the earliest possible date.