

THE PROBLEM OF TAXATION.

In his address to the shareholders of the Molsons Bank this week, the president (Mr. W. Molson Macpherson), referred to the matter of additional taxation to meet the Dominion Government's war expenditures. Mr. Molson Macpherson took the sound view that new taxation must go hand in hand with expenditure, and that no time should be lost in levying necessary taxes. We may presume that so shrewd and careful a financier as the Minister of Finance has shown himself to be has already this matter in hand, and that he will not hesitate to impose in his next Budget such new taxation as may be necessary to meet the service of the large borrowings which have already been made and will continue to be made for war purposes. The real problem in connection with this matter is how to adjust new taxation that it may be distributed equitably over the whole community. Through the war, many people in Canada have been financially benefited, notably manufacturers in certain lines and to a lesser extent the farmers, while others, and they form a very fair proportion of the population and possibly the majority, have either not been benefited at all or have suffered materially. That under these circumstances, some differentiation in taxation should be made, if possible, between those who have benefited and those who have not is only reasonable. Whether such a differentiation is practicable is another matter. There does not at present exist in Canada any fiscal machinery similar to that in England through which a war profits tax could be readily collected, and the complexities existing through the diverse taxing powers of the Dominion and the provinces have to be borne in mind. If, however, taxation on war profits is feasible, undoubtedly such taxation would be in harmony with public sentiment as a whole.

LETTERS FROM THE FRONT.

The Canadian Bank of Commerce have issued a second number of "Letters from the Front," the periodical devoted to chronicling the doings of members of the staff who have answered the call of King and Country. The total number of members of the staff whose names are recorded as having enlisted is 574 and doubtless that large total will yet receive substantial additions. Of these twenty-one have given their lives, 42 have been wounded, two are missing, four prisoners of war and five ill. Pte. J. H. Matkin, of the Kindersley, Sask., branch, who was killed in action, was recommended for the Victoria Cross, and a considerable number have been given commissions in various regiments of the Imperial Army. It is a proud record.

The Weekly Underwriter says (on its front page, too), that "workmen's compensation is not a State monopoly in Great Britain, nor in any of its colonies." Has the Weekly Underwriter never heard of Ontario?

THE BANKS' EXCESS CIRCULATION.

At the end of September, the circulation of the banks, which increased by over \$6,000,000 during the month, was over 16½ millions below the exceedingly high level reached at the close of September, 1914, and but few of the banks found it necessary during the month to issue excess circulation. The total circulation at September 30 was \$105,798,618, the maximum reached during the month being \$108,917,398, the present figures comparing with an end-of-the-month circulation a year ago of \$120,365,786. Only six banks made excess issues during September of this year, compared with sixteen during September, 1914, and thirteen at the close of that month. Of these six banks, two, the Nova Scotia and the Royal, issued well within the extent of their deposit in the Central Gold Reserve; two others, the Union and the Provinciale, had no deposit at the time in the Central Gold Reserve and made their extra issues under the old rule allowing excess issues during the crop-moving season up to the limit of a percentage of the paid-up capital and reserve combined, such excess issues being subject to a five per cent. tax; the two remaining, the Montreal and the Nationale, issued partly against deposits in the Central Gold Reserve and partly taxed excess currency, although in the case of the Nationale, before the end of the month the circulation had been got within the limits of the Gold Reserve deposit.

The following figures give the details:—

| | Deposit with C.G.R. | Excess circulation. |
|------------------|------------------------|------------------------|
| Montreal..... | \$1,000,000 | \$1,028,042 |
| Nova Scotia..... | 1,750,000 | 691,704 |
| Nationale..... | 1,800,000 | 1,751,285 |
| Provinciale..... | | 138,753 |
| Union..... | | 802,544 |
| Royal..... | 2,000,000 | 1,025,911 |

A LESSON IN COURAGE.

If there be moments when we are tempted to be faint-hearted, let us ask ourselves what year in our history has done more to justify faith in the manhood and womanhood of our people. It brought us the imperishable story of the last hours of Edith Cavell, facing a worse ordeal than that of death, that of watching the moments creeping on to her doom, slowly and remorselessly. It has taught our bravest men a supreme lesson in courage. In the United Kingdom and in the Empire there are a thousand such women, and yet a year ago we did not know it. We have great traditions, but the nation does not exist on traditions alone, for, thank God, we have living examples of all the qualities that built up and sustained our Empire. Let us be worthy of them and endure to the end.—*Premier Asquith.*

In an interview at Windsor, Ont., Sir Edmund Walker is reported as expressing the opinion that Canada is well able to finance its part in the war for another three years without imposing unduly heavy increases in taxation.