three days, which is to some extent accounted for by the Austrian reverse in Italy, and partly by the scarcity of high-grade investments. In fact, two or three successes such as the recent Italian achievement, might permit of the loan being offered upon a much less favorable basis. In any case, it is clear that on grounds of economy and expediency the loan must be raised in Canada. The actual price will be one of the last points to be settled.

Tax Exempt versus Taxable Bonds.

Another question which has come up for more discussion in connection with this issue than with any of the previous ones, is that of whether the bonds should be exempt from income tax or subject to it. General opinion is that they should be exempt just as were the previous loans. It is thought that two kinds of bonds with two price levels would not be wise. Moreover, as one leading bond dealer in Toronto pointed out to *The Monetary Times*, two price levels would mean two classes of bond holders. The taxable bonds selling on a higher interest basis would appeal to the man of small means and income who would pay no income tax or whose tax would be negligible. On the other hand, the man of large income would prefer the tax-free bonds. The result would be, therefore, that very little revenue would accrue to the Dominion Government as the taxable bonds would gradually find their way into the hands of those not subject to the taxation.

Definitive Bonds to be Prepared Beforehand.

One of the weak points of the Victory Loan is generally admitted to be the procedure of exchange that had to be gone through. In fact, all of the temporary certificates have not yet been exchanged for the definitive bonds and it has been necessary to make interest payments upon presentation of the interim certificates.

To have the definitive bonds ready for delivery upon completion of payment in full would mean an enormous saving of time and expense not only on the part of the public and of the finance department, but also of the banks which are at present very short of help.

It has been practically settled that the total issue will be for $250,000,000, with an objective of $500,000,000. No doubt total subscriptions up to the latter sum will be accepted, as in the case of the Victory Loan. A similar organization will be used, but the system of remuneration is receiving considerable attention and criticism. It is thought by many that those who devote weeks and months of effort in the planning and organizing of the campaign do not fare as well as those who merely canvass during the actual period of selling and pocket the commissions.

Plans Being Discussed at Ottawa.

On Tuesday, the 25th instant, the Dominion Executive which had charge of the Victory Loan met at Ottawa in conference with the finance minister regarding these and other questions relative to the loan. Many of the points will unquestionably be settled although official announcement of the actual terms, etc., will, it is understood, not be made for some time yet. It will probably be November before the loan is launched, so that full preparation can be made. The Victory Loan funds are almost exhausted, and in the meantime the government is being financed by the banks, which will have to be reimbursed from the proceeds of the war loan .

Two gold shipments of $5,000,000 each were made recently to the Federal Reserve Bank of New York. These came from the Bank of England's reserve at Ottawa. The total for the present movement is $25,000,000.

CROP PROSPECTS IN SASKATCHEWAN

Increased Acreage Should More Than Compensate for Damage

The Department of Agriculture, of Regina, has issued the following report on crop conditions in the province:—

Saskatchewan has approximately 9,222,000 acres sown to wheat this year, according to the preliminary estimate made by the provincial department of agriculture. The estimate made by the department is one of the acreage of all grain crops for the present season in the province. In issuing this statement, it is a matter for congratulation to the farmers on their endeavor to materially increase the acreage sown to wheat and other grains.

The increase as shown by the preliminary estimate will add nearly a million acres to the wheat crop and some eighty thousand acres to the oat crop. Taking as a basis the average yield of wheat for the past ten years at 17½ bushels, Saskatchewan, with seasonable weather and a good harvest, should add to the world's depleted wheat stocks some one hundred and sixty odd million bushels of wheat.

The details of the preliminary estimate of the grain crops are as follows:—

	1917. Acres.	1918. Acres.
Wheat	8,273,253	9,222,000
Oats	4,521,642	4,602,000
Barley	669,927	663,500
Rye	53,250	70,000
Peas	2,605	2,500
Mixed grains	39,500	40,000
Hay, clover	260,275	260,300
Alfalfa	9,500	8,700

No estimate has been made of the acreage for flax.

Damage by Winds and Cutworms.

While the terrific winds of last Monday did a great deal of damage in some sections of the province, this damage would not appear to have been general, judging from the reports received during the week-end by the department.

Local showers are reported from some quarters, while other sections report no damage from either wind or lack of rain. Cutworms are reported in the Shellbrook district.

YORK COUNTY LOAN AND SAVINGS COMPANY

The liquidation of the York County Loan and Savings Company was completed on Monday, the 24th instant, in Toronto. The total receipts were $2,371,056, and disbursements other than dividends amounted to $690,470.

TAXING INCOMES

It is clear that incomes will come in for a heavy burden in the new financing for war purposes, and thus the question of any changes in the tax laws is of interest. If the laws were rewritten in toto, as they should be, our legislators might well rectify the discrimination against earned incomes in favor of those that are not.

The present law opens one door to unearned incomes, through which they pass upon payment of normal and supertaxes. But earned incomes above a certain figure are headed through another doorway, where after payment of the same taxes as non-working incomes, a flat penalty is laid upon them, as if in punishment for being the fruits of ability and usefulness.

Also, when disposed to add to excess profits and other taxes on industry and production, will it not be advisable first to consider the incomes that neither work nor fight? A case in point is revealed in a proceeding in the Surrogate's court. A ward, a young schoolgirl boarder, with a yearly allowance of $12,000, files a petition to have it increased to $20,000. Limousines, party dresses, dancing robes, theatres and other "necessities" are mentioned as reasons for this extra allowance. Doubtless all this may be proper in her station in normal times, but not now, when we are wondering if the net liquid income of the nation is sufficient to meet the war's demands.—"Wall Street Journal."