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THE CANADIAN BANK OF COMMERCE

Head Office - Toronto

Capital, \$15,000,000 Reserve Fund, \$15,000,000

Total Assets over \$440,000,000

INCORPORATED 1832

The Bank of Nova Scotia

Capital\$ 9,700,000

Reserve and Undivided Profits, over.....\$18,000,000

For 87 years The Bank of Nova Scotia has handled the accounts of exporters and importers, fishing, lumber and shipping companies on the Atlantic seaboard; for 25 years in Newfoundland and the British West Indies. They were first established in Winnipeg in 1882 to take care of industry peculiar to the West. They have complete banking facilities at their Vancouver Branches for the handling of commerce of a maritime province such as British Columbia. Consult their Managers.

BRANCHES AND AGENCIES AT

New York: The Bank of Nova Scotia, 52 Wall Street.	San Francisco: The Amer'n National Bk. 495 California Street.
Chicago: The Bank of Nova Scotia Clark and Munroe Sts.	Havana, Cuba: The Bank of Nova Scotia O'Reilly and Cuba Sts.
Boston: The Bank of Nova Scotia Sears Building, Washington Street	San Juan, Porto Rico: The Bank of Nova Scotia Tetuau and San Justo Streets.
Seattle: The First National Bank First and James Streets	Kingston, Jamaica, B.W.I.: The Bank of Nova Scotia King Street.

BRANCHES IN VANCOUVER

602 Hastings Street West N. W. BERKINSHAW, Mgr. JAMES A. FIOTT, Asst. Mgr.	Granville and Davie Streets DOUGLAS J. MAIR, Mgr.
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certainly regarding financial necessities, this element of dissatisfaction cannot be eliminated. When it is possible to lay down a definite financial programme, the Government can demand and will doubtless receive, more willing assistance from the taxpayers in carrying it out."

Professor Haig gives in statistics and graphic illustrations the declining revenues and presents the different sources of revenue in relation to each other and in relation to the whole, and concludes with the following:

"The shortage of revenue is not chargeable to a breakdown of the tax system. Whatever may be said of the success or failure of the administration judged by absolute standards, it cannot be asserted that present difficulties are caused by a deterioration in that administration. Whether the taxes have produced as much as they should is a question still to be considered. It is not because they produced less than usual that the present difficult situation has developed.

"The causes of the cessation in the demand for provincial lands and for real estate generally are not entirely clear. Certainly one of them was the outbreak of the war, but the exact importance of this cause would be difficult to determine. To the extent that the war has had the effect of deadening real-estate activity, the financial problem of the province can be truly said to be a war problem

"The experience of the past four years has demonstrated the lack of stability of the revenues of the province. They have shown themselves to be excessively variable and undependable, and this constitutes the explanation of a very large part of the present difficulty. The situation in general is one which imperatively demands the adoption of one of two policies. Either the revenue system must be accepted for what it is and the policy of expenditure framed in such a fashion as to accommodate itself to the variations in receipts, or the revenue system must be radically recast with the purpose of making it productive of a more uniform series of revenues. The latter plan would be very difficult to establish completely, because of the dominating importance of receipts from land-sales in the scheme of revenues. But the desirability of a more uniform yield should be kept prominently in mind in considering changes in the tax laws. The most satisfactory solution of the difficulty lies in the direction of a more intelligent control of expenditure than has been shown in the past."

Professor Haig then takes up the question of expenditures with the efforts made in recent years to control them and to restrict them to the apparent estimated revenue. In critical survey of existing taxes, Professor Haig points out their general heads and comments upon each phase. Taxes are generally made up of general taxes, specific taxes, and other taxes. Under the subject of general taxes are included real estate, personal property and income. Real estate taxes are divided into improved real estate, wild land, coal lands and timber lands. On fair valuations, Professor Haig does not think that the one per cent, rate imposed is excessive but he does contend that the tax of 5% on wild lands is an injustice in view of the history and the large amount of delinquent taxes outstanding and is not a dependable revenue producer. The tax on coal lands is small in amount and not of decided importance. The taxation on timber lands is of larger amount and is, in the opinion of the Professor excessive and punitive in character since the rate is now 3%. His reason is the same reason as that involved in his objection to the 5% tax on wild lands. In commenting on the personal property tax, Professor Haig states that it has been so loosely interpreted and exemptions have been granted with such a liberality that in practice it amounts only to a tax on stock in trade. The failure to abolish this tax he ascribes to a lack of confidence in the administration of the income tax. Under the subject of income, Professor Haig reviews the present law and discusses the exemptions permitted. One phase of the problem of exemptions as discussed has considerable interest for the business men of the province. At the present time the law forbids the deduction

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