

The Chronicle

Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

(Continued from Page 409)

and it is interesting to note the suggestions made to compensate for this condition of affairs. Of five proposals, the first is for a direct tax upon all unimproved lands, including all natural resources. This ignores the altogether elementary fact that many holdings of this character remain undeveloped over a comparatively long period of time, not from any unwillingness of the owners to develop them—the majority of investors are scarcely so foolish as not to wish to turn prospective into actual profits—but because they are not ripe for development through lack of transportation facilities or similar causes. The farmers' second proposal, that of a graduated personal income tax is already in existence, and the necessities of the revenue, apart altogether from the cutting off of present sources of the Dominion's income, ensure its continuance at least at a moderately high level for a considerable number of years. The third proposal is for a graduated inheritance tax on large estates. The provinces already levy substantially in this direction, and while there is a good deal to be said in favour of inheritance taxes, administered with some regard to equity, they can easily become oppressive. The fourth proposal is for a graduated income tax on the profits of corporations. As to this, it may be remarked that through the Business Profits War Tax, there has been a very substantial graduated tax on these profits in force during the last two years as many corporations know to their cost, and if the Business Profits War Tax is not renewed at the present session of Parliament, its place to some extent is almost certain to be taken by an enlarged income tax. The farmers also advocate "the retention by the Crown of all natural resources, and their use only under short-term leases, such leases to be granted only by public auction." How in the name of commonsense, the farmers expect large amounts of capital, amounting in some individual cases to hundreds of thousands of dollars, to be invested without any security of tenure, passes comprehension—the thing is absolutely absurd on the face of it. The fact of

the matter is that the farmers, as represented by their spokesmen, who formulated these claims, will have, like some other classes of the community, to broaden their horizon considerably, before they can lay any claim to careful attention for any constructive proposals they have in mind.

The immense scale of the credit operations between the Dominion Government and Great Britain is perhaps not generally appreciated and it is worth while to give the figures as they were announced by the Minister of Finance in the House of Commons the other day. At the 31st March, last, there were outstanding loans to Great Britain aggregating \$476,030,144, and contra advances by the British Government to the Dominion of \$214,133,333. Last year, an amount of \$392,638,797 was written off advances to Great Britain, against advances from Great Britain. Thus the total of Canadian Government advances to Great Britain up to the 31st March last is something like \$870,000,000. This does not take into account the advances made from time to time by the banks. The extent of Canada's financial effort during the war thus appears to have been considerably larger than is, we think, generally supposed.

BANKERS' TRUST COMPANY, MONTREAL,

Mr. James Elmsly Appointed Manager.

The Bankers' Trust Company recently organized by the directors of the Merchants Bank with an authorized capital of \$1,000,000 will open for business in the Merchants Bank building, St. Peter Street entrance, on 1st May. Its organization at this time, following the establishment in Montreal of two other important financial institutions, is an indication of the expansion that may be looked for in Montreal, as the financial centre of the Dominion. We understand that branches of the new company will be established at other important points in due course.

The appointment of Mr. James Elmsly as manager of the Bankers' Trust Company is officially announced. Mr. Elmsly was formerly Montreal manager of the Bank of the British North America and recently secretary of the Prudential Trust Company. He is a capable financial man with great experience and well known in Montreal, and throughout Canada. His appointment as chief executive of the above important institution will no doubt be in the interest of all concerned.

DEATH OF MR. JAS. MCGREGOR.

As we go to press we regret very much to learn that the death occurred of Mr. Jas. McGregor yesterday afternoon for very many years manager for Canada of the Commercial Union and Palatine Insurance Companies, after an illness extending over two years. Further details will appear in our next issue.