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R. WILSON-SMITH, Proprietor

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CAPITAL AND TAXES. TIME was, when the penalty for stealing a sheep was the same as for killing a shepherd. Which occasionally bore heavily upon the shepherd. For, a stolen sheep plus a murdered witness made a combination that told no tales upon the thief, and thus the law's over-rigours tended to its further breaking.

Taxes, also,—proverbially classed with the death penalty in point of inevitability—sometimes become less burdensome as they are made more heavy. The man honest enough—or indifferent enough—to pay a moderate levy, may plan to evade altogether one that he considers immoderate. Not that evasion need always be dishonest. There are more ways than one of shifting an unwelcome load. A recent instance is furnished by the organizing of a holding company in Paris to handle a block of United States Steel shares. As mentioned a week ago, certificates of the holding company, in lieu of the steel shares themselves, will be listed for trading in the French market—the manifest purpose being to evade the prohibitive tax that would have to be paid on the whole capitalisation of the Steel Corporation were its own shares listed on the Paris Bourse.

While reported in London at mid-week that the French Government is opposing this roundabout dealing, the rumour has not been taken seriously.

BRITISH CAPITAL IN CANADA. ALREADY it is apparent that British capital is planning to escape some of the taxation foreshadowed by

the Lloyd-George budget. It may happen, therefore, that the estimates of increased revenue will prove rather wide of the mark. However, the Chancellor of the Exchequer doubtless counted upon considerable leakage when deciding upon just what "new tree-stem full of birch sap he might stick his wine-tap of a new tax into"—as Jean Paul Richter remarked, one hundred years ago, of English ministers and German monarchs alike.

As Sir Edward Clouston, Bart., predicted on his return from Europe a few weeks since, some English funds are already finding their way into banks on this side, in order to escape impending imposts. And constant enquiries are coming to hand which point to growing investment in Canada. It would, how-

ever, be but a melancholy satisfaction if tax-evasion were a main incentive to interest in Canadian undertakings. There are signs in plenty that it arises more essentially from growing faith in Canada's future.

The recent market demand from individual British investors for local securities, the reception accorded in London to Canadian notations, the syndicate purchasing of controlling interests in established undertakings—all point to continued participation in Canada's development. And the more pronounced this trend becomes, the more it behooves Canada and Canadians to see that full value is rendered for value received.

LONDON'S CONFIDENCE IN CANADIAN BANKS. LONDON'S strong confidence in Canadian banks and bankers is just now standing the

Dominion in good stead. One of the most interesting developments of Empire Day celebrations in Great Britain was the increased importance attached to the event by the London newspapers. The Times issued an immense 56-page supplement, packed full of information on every conceivable aspect of the problem of Empire. Canada and Canadian affairs were fully dealt with. Among the articles was one on "The Investment of Capital within the Empire", which contained the following passage:

"At this moment the Canadian banks are said to be much too conservative to please some of the energetic people of the Northwest, and it is added that their ideas of what is or is not good security are too much influenced by London. We do not believe this. The able men who manage the banking of Canada are fully impressed with the wonderful resources of the newer portions of the country and are ready enough to aid in its development. But they have the interests of the whole of the Dominion to think of and though enterprising to a degree which would rather startle the boards of the banks of the United Kingdom, whose work is of a different kind, they are prudent as well as farseeing in dealing with the enterprises they finance. If they had not been careful of their resources the crisis in the United States of November, 1907, would have extended to Canada."

Such an appreciation of Canadian banking methods in the Times cannot fail to have a good effect in stimulating an interest in investments here.