

retain the power of granting exemption to manufactures," and that "any exemption granted in a municipality should be general, and apply to all manufactures in the municipality." This would pave the way to another exemption of a very extensive character. Is it wise in manufacturers to seek new privileges, in addition to those they enjoy, under the tariff? At present these privileges are not much challenged, but the strain may reach the breaking point, if the bow be bent too far.

The last card of Mr. Kruger has been played, and it has not proved a winner. The Dutch Foreign Minister, in an interview with Mr. Kruger, Dr. Leyds being present, made the statement, squarely, that the policy of the Netherlands is to remain passive. This Government has been looked to to take the initiative in intervention; its reply is that the initiative belongs to the great powers. France refused in advance the part assigned to it by Holland, and the German Emperor would not even admit Kruger to an audience. Thus the curtain falls on the diplomatic farce.

At the banquet given to Hon. Mr. Sifton in this city, some utterances escaped Ministers of which it is well to take note. Among other things the Premier, speaking of the future, said: "We shall continue our preference to Great Britain, as we have [begun it], and on no other terms," which means that no attempt will be made to get it put upon a reciprocal basis. Mr. Sifton, referring to suggestions, some of which have come from sections of the Liberal party, that the time has come when the Government ought not to embark in great and costly undertakings, said that to act upon such advice would make Canada poor and keep her poor. He hoped soon to see the second line of railway, now being built in the West, at the foot of the Yellow Head Pass, on its way to the Pacific. It is a pity we have not yet found a better way of accomplishing this end than by that which includes public grants to roads to be owned by private persons to whom, experience tells us, we shall hereafter be expected to bow in recognition of our masters. The course of development of our vast resources must go on, and the difficulty is to know how to change from a bad system, corrupting in its operation, to a better.

TAXATION ON GROSS EARNINGS.

On behalf of several companies, including half a dozen gas and lighting companies, street railway companies, and the Bell Telephone Company, Mr. Christopher Robinson, O.C., has submitted a definite proposition to the Assessment Commission. These companies are willing to be taxed on 60 per cent. of their gross earnings; this amount to stand in lieu of taxes on all their real and personal property used in their business. A Provincial Board, to be appointed by the Governors-in-Council, to apportion the assessable part of the gross earnings among the municipalities in which the companies operate. The proposal, whatever its merits, in other respects, stands out in striking and honorable contrast to the wiles of many men who use all means at their disposal to escape their just share of public burthens and throw extra weight on other shoulders. There is much to be said in favor of making income the basis of taxation, if the machinery for doing it effectually can be made and operated suc-

cessfully. This proposal contradicts by implication the pitiful stories so often repeated of the impossibility of getting at the facts; it suggests a means of getting at the truth, and authorizes a special Board "to ascertain" the amount of the gross earnings of each company. There is room for differences of opinion on different features of this scheme; but it is a great gain to find a number of business men who are willing to act a conscientious and honorable part in the matter of taxation which touches their own pockets. If their example were more generally followed, a great moral and financial uplifting might be expected to follow. If the principle of taxation here proposed were successfully worked, its extension would follow as a matter of course. It is much fairer than a tax proportioned to the rental, which does not necessarily bear any equitable relation to the amount of the municipal protection given, nor to the ability to pay for it; two things which it is never safe or honest to lose sight of. The proposal made by Mr. Robinson offers a definite basis for discussion, which is likely to be extensively utilized; though it contains something which may require modification.

GRAIN EXPORTATION TO GERMANY.

A representative of The Monetary Times, during a recent visit to Montreal, found that amongst the subjects being most generally discussed by the business community was the question how to restore to Canada its practically lost grain trade with the German Empire. Formerly, Germany admitted the products of this country at the maximum rate of tariff, under the most-favored-nation clause of the treaty with Great Britain. When Canada, however, began giving a preference to Great Britain, Germany retorted by charging the full tariff against the grain and other products of this country. The result has been that grain shipments from Canada to Germany, in several lines, have practically ceased. So far as we know, there has only been one load of oats shipped to that country during this season. The present German tariff on Canadian wheat is practically prohibitive, being 10 cents more than that on the same article from the United States, from which country grain imports enter on a minimum rate. The demand from Germany for buckwheat from this country has kept up to its normal amount, but this is due merely to the fact that Canada was practically the only place from which they could get that article.

To show that the falling off in the Continental demand for Canadian grain is primarily due to this alteration in the German tariff, it may be stated that the exports to Belgium, with which country there is still in existence the most-favored-nation treaty, though it has been denounced, have fully held their own during the past two years. One special reason for regret at the falling away of the German market is that it will always accept damaged wheat which the British miller will not touch. Not only, too, is the Canadian grain exporter unfortunate in the matter of foreign tariffs, but, during the last few months, transport arrangements have been against him also. The service given by the Hamburg-American line was formerly both good and frequent, but since the loss of the "Arabian" and the "Arcadian," this company has