

and that after going to great expense in opening streets, building sewers and water-works, maintaining order, &c. over that area, it should not be cheated of its compensation therefor by and speculators who, by virtue of a law which bases assessment on rent, can keep large lots of land in the heart of the City as cow-pastures, virtually escaping taxation thereon, and can hold them until the natural growth or improvement of the City enables them to sell at a large enough profit. If this is a "dangerous" or "communitistic" doctrine, I fancy the public will fail to see it.

Again, you say "Mr. Ryshe assumes that land involves the expenditure of more taxes than any other property." I am certainly not aware of having made any such assumption. What I do say is that it does not matter whether the expenditure is made on account of land or on account of personal property, for in any case the correct measure of the benefit conferred on each citizen by such expenditure is to be found in the value of the land he owns or occupies; that each particular plot of ground or water-front reflects in its value; in its selling price; the average net advantage desirable by the individual who occupies or owns it; and that all taxes, however they may be laid on, inevitably gravitate towards land and remain there, while exceptional advantages, on the other hand, tend directly not to benefit personal property, but to increase the value of land.

You remark also that "it is the rent or product of land that is properly taxable, not the land itself. If it were allowable to tax land irrespective of its productive power, direct or indirect, it would be equally allowable to tax, not what personal property produces, but personal property itself. We must avoid dangerous principles in whatever guise they present themselves."

As a matter of fact, personal property itself is usually taxed, and not what it produces. Moreover, I should be glad to know the difference between taxing the yearly value of real estate, and taxing its total market value—the rate in the one case being the capitalisation of the rate in the other! It would appear that the "dangerous principles" are already in active operation.

You are of opinion that the remedy for "a real inequality should be sought in a removal in equalities, not in the discovery of an unique source of taxation. All schemes of unique taxation have invariably failed, and must always fail, on account of their manifest injustice." It is to be regretted that you should recommend any one to set out on such a "wild goose chase" as to attempt to remove the inequalities of any system of taxation based on personal property. The world has never known an equitable system on any such basis, and it requires no transcendent genius to predict that it never will know one. We must therefore look somewhere else for equality, and I am bold enough to believe that it will be found in land. As to the "manifest injustice" of all schemes of what you call "unique taxation," is not that a rather indiscriminate criticism? And is not the injustice more assumed than manifest in this case? So far from any injustice being "manifest" in the theory in question, I challenge its discovery by the keenest analysis.

Finally, you say that "nothing is gained by looking at the question of taxation from a class point of view—from the view of any particular interest, because if any special interest could wholly escape taxation for a while, it would suffer in a corresponding degree by the inevitable reaction." This is eminently true, and I do not believe myself foolish enough to take any trouble to try and convince the public that their welfare would be best served by taxing one class and allowing another to go free. But I shall be greatly obliged if any one can inform me what class of the community, or even what individual

will escape his fair share of taxation if taxes are levied only on land.

The great desideratum in any system of assessment is that it shall correctly measure the value of the services rendered by the community as a whole to the individual citizen, for which services alone he should pay his proportionate share of the common expense. This I maintain can be done by the proper assessment of land, but it is practicable by no other means.

Yours truly,
THOS. FYSHE.

Halifax, 12th March, 1880.

Meetings.

THE ENGLISH LOAN COMPANY.

STATEMENT FOR THE YEAR ENDING 31ST DEC., 1879.

To the Shareholders of the English Loan Company:

Your Directors, in presenting their first annual report and balance sheet for the year ending 31 Dec., A.D. 1879, desire to congratulate the stockholders on the very marked success which has attended the company from its commencement to the close of the year.

The stock books were opened at the head office on the 20th Jan., 1879. The amount of stock placed upon the market in all during the week was one million five hundred thousand dollars, the whole of which was sold and disposed of by the 10th day of Dec. last, ten per centum of the subscribed capital being called in in instalments extending over a period of nine months; but a very large portion of the stock was not subscribed for till the middle of the year; while, during the course of the whole year, \$92,015 13 was paid in on stock, and invested in real estate mortgages.

As is common with companies of this kind, the commencement has been attended with comparatively heavy outlay in fitting up offices, office-books and furniture, together with printing, advertising, and numerous other charges incidental to so large an undertaking. Your directors are advised that it has not been unusual to divide these initial expenses into four parts, and to apportion the same over the first four years of the earnings; but, after the best consideration which could be given to the subject, it was deemed advisable to at once pay off the whole of these expenses, and to commence the new year entirely free from debt of any nature whatever.

The business of the company commenced at an especially favorable period, namely, when money was comparatively stringent upon the market, and real estate considerably fallen and still shrinking in value; so that while the company had at the end of the year \$168,554 15 under mortgage, it held, as security for the same, real estate which is estimated to realize at a forced sale \$421,405.

Your directors have exercised the greatest care in investing your money, their policy being to always have a personal inspection of the properties offered, and never to loan more than one half the cash value of farms and one third the cash value of the most eligible town or city properties. By strictly adopting this method of conducting the affairs of the company, it is confidently believed that a loss will never take place, and in a few years the company will stand second to none in the Dominion.

Your directors have in some cases assumed the payment of mortgages which were on properties prior to the taking of their own mortgage, when the assumed mortgages ran over a number of years and were at a lower rate of interest. This has been done to the extent of \$64,428 50, and, together with the amount re-

ceived on stock, goes to make up the sum under mortgage at the end of the year.

Out of the net earnings of the company, after providing for all charges of every kind, four quarterly dividends, at the rate of eight per centum per annum, have been paid, and the sum of \$4279 34 carried to reserve fund. The next quarterly dividend, at the same rate, will be due and payable at the company's offices on and after the first day of April next; and the same rate of dividend will continue to be paid until the directors fix upon a higher rate, which no doubt will soon take place after the sterling bonds are placed upon the British market.

The Directors further desire to congratulate the proprietary upon this being purely a debenture company, and having no savings bank in connection with it. While companies of a similar kind, with saving banks attached, may make more rapid progress at the commencement, yet in the end, when the real merits of the enterprise are properly understood, they feel sure all capitalists will see the more stable basis upon which debenture companies are founded; and your directors have no doubt they will be enabled to dispose of the sterling bonds in the mother country to much better advantage than they could do if savings bank deposits were received.

The money paid upon stock and received upon the sale of debentures being the sources out of which capital for investment is to be derived and now that the subscribed capital has reached \$1,500,000, your directors would recommend that one million dollars in sterling bonds or debentures be placed upon the British markets for sale during this present year; and, considering that these bonds will be a first lien upon the whole assets of the company—namely, the whole subscribed capital, less the amount paid on stock—and also the whole of the mortgages now held, and all additional mortgages which are accumulating from day to day, as well as all other assets of the company; and considering as well the exceptionally first-class standing of the body of the stockholders, together with the prudent, judicious and economical management of the company, your directors have no doubt of a rapid and ready sale of the bonds at such low rates of interest as will be greatly to the advantage of the company, and will meet the pressing demand made upon your board for money now far beyond their power to supply.

Your directors would recommend that in the sale of the debentures negotiations be opened only with such financial houses as are of undoubted standing and permanency; and, as far as possible, that the whole business be done through some one really reliable firm, even though the expense may be somewhat greater than dealing with a number of less extensive houses would entail.

At the close of the year's business, the Directors have the satisfaction of knowing that the stock of the Company has been eagerly sought after and taken up by persons of wealth, and in all cases by thrifty, prosperous, permanent residents of the Dominion, except in a few cases where stock has been taken in England and the United States; and in every instance the Board has been careful in allotting stock only to persons who will be responsible shareholders.

At present, the Company has no stock upon the market; but it is intended soon to make a new issue of one million dollars of shares of stock, which will be offered first to the present stockholders at ten per cent. premium, and then to the general public at the same rate. The new issue it is expected, will be sold chiefly in Great Britain and Ireland.

Your Directors would recommend the Company to continue the practice of strict monthly audits.

The securities have been most carefully