

believe that the Cuban allies of the United States have given their gallant comrades in this struggle with Spain reasons to doubt the absolute necessity for a war that with all the alleviations of courtesy and honour, with all the correctives of morality and religion, is nevertheless so great an evil that to have engaged in it without a clear necessity would, indeed be a cause for sorrow. But, if so, this is not the time to indulge in vain regrets. The causes and incidents of the Spanish-American war may be recorded in characters of fire in future histories of the United States; but it is to be hoped there will be no further reference to securing the blessings of civil liberty for Cubans until they evince a willingness to work for their own freedom.

The world of trade and commerce will owe a big debt of gratitude to the United States if, as the result of their encounter with Spain, the seaports of Cuba and Manilla are made the open gateways to the ships of all nations, and a period of peace and prosperity enables a great republic to develop the resources of the "Queen of the Antilles."

The transfer of the Spanish West Indies to the United States may be attended with difficulties not at present discernible; but the admitted unfitness of the Cubans for the responsibilities of Government effectually settles the question of what will be done with the country wrested by the Americans from Spain. The Cuban allies of the United States may not secure quite the measure of civil liberty intended by those who raised the cry of freedom for Cuba, but they will be wisely and efficiently controlled and governed, and, perhaps, living under the star-spangled banner, they may become good and industrious citizens of the United States. Let us hope so.

At all events, the Cubans will have nothing to complain of in the new condition of affairs. Peace and order and cleanliness will be established in exchange for bloodshed, revolution, filth and fever, and they will have an opportunity to make their island home illustrate a happy union between the fertility of nature and the industry of man.

That liberated Cuba will be Cuba under the Government of the United States is practically assured, and, forgetting all else, we may reasonably rejoice in the success of our English-speaking brethren. The war and its motives have passed beyond the pale of useful discussion, and the world is only concerned in its aftermath. That the life of the gallant Capron, or plucky Hamilton Fish, should be found to be "*worth more than as many hundred reconcentrados*" is saddening to reflect upon; but, if the nations of the earth draw the sword less readily because of the blood and treasure wasted in this war, the gallant men who were slain at La Guasimas will not have died in vain.

A TAX UPON THRIFT.

The opinions of the judges of the Court of Appeal in the important suit between the Canada Life Assurance Company and the City of Hamilton, which

we publish elsewhere, are calculated to create confusion in the offices of many companies, but the decision thus given is interesting alike to insurers and insured, and we print same in full.

The main contention of the counsel for the Canada Life was that profits to which policy-holders are entitled could not be regarded as income. The judges of the final court of appeal have decided otherwise, and we make any reference to their opinion with respect for the legal minds which framed same. But it is not denied that the particular profits or income forming the subject of this now celebrated suit cannot be divided among the shareholders of the company. It is, therefore, a liability of that company.

An assessment is a valuation made by authorized persons according to their discretion, as opposed to a sum certain or determined by law. It is a valuation of the property of those who are to pay the tax, for the purpose of fixing the proportion which each man shall pay; on which valuation the law imposes a specific sum upon a given amount. The persons authorized to value the property or income of the Canada Life happened in this instance to be the assessors of the city of Hamilton, and they apparently declined to permit any separation of the interests of the company and its policy-holders. Appeal from the discretionary act of the Hamilton assessors has proved of no avail, and it only remains for insurance companies to accept the final verdict of the Ontario judges with resignation, and to reflect upon what this important decision means.

The amount taxed as part of the income of the Canada Life by the Hamilton assessors is income, and again it is not income. Such a statement may be regarded as the proposition of a perverse or paradoxical intellect, and yet this seeming paradox is not altogether unreasonable. The disputed sum is the income of the company in the sense of being received by them; but the fact that the amount is set aside, and regarded as the property of policy-holders, shows that the company do not regard it as part of their profit or income. It is held to be immaterial what is done with it, that the mere fact of the receipt of the interest on investments for policy-holders makes said interest part of the earnings of the company and, as such, subject to taxation. Such is the recent decision; but it seems to us somewhat regrettable that the assessors of the city of Hamilton could not have been brought to make a distinction between the investments of the company and those of its policy-holders.

Looked at from another point of view, the funds now subjected to taxation represent the result of the thrift or savings of the insured, and the company holding same are simply the trustees for interested policy-holders. The contention that the policies give the assured no legal claim on the interest so earned and received, and that the investments are, therefore, the property of the company, upon which the assured have no lien, they having nothing but the company's