

The figures for the fiscal year 1898 are, including the amounts received on the railway subsidy tax, as follows :

Ordinary receipts.....	\$4,177,656
Ordinary expenditure	4,364,686

Leaving a deficit of..... \$ 187,030

On the other hand, the ordinary receipts and expenditure for the previous year (1896-7), established on the new basis were as follows :

Ordinary receipts.....	\$3,874,966
Ordinary expenditure	4,685,450

Deficit..... \$ 810,484

Turning to consider the accounts for the current year the Premier announced the intention of the Government to confine its expenditures strictly within the limits of the estimates. Coming to the next financial year, 1899-1900, he estimated the receipts from all sources at \$1,204,899, in which the Dominion subsidy figures for \$1,277,799; interests for \$310,000; lands, forests and fisheries, for \$1,050,000; justice, for \$255,900; licenses, for \$675,000; direct taxes on commercial corporations, for \$160,000, and duties on successions, \$225,000, etc. He placed the probable total ordinary and extraordinary expenditure at \$4,177,755, while for the probable payments out of capital he set down \$446,812, which is mostly \$413,740 for railway subsidies, etc.

Interest on the debt is a serious item for Quebec. It amounted last year to \$1,476,000 which is more than the subsidy and interest on trust funds which the province receives from the Dominion. The outlook for additional income is not a rosy one either, for as Mr. Marchand points out, the revenues of the province "are generally speaking, not progressive in proportion to the increased demands made on the Government for education, administration of justice, agriculture and colonization, owing to the increase of our population." The subsidy is a fixed amount. The revenue from crown lands can not be expected to be much, if any, larger than it now is, while the revenue from licenses depended largely on the feeling of the municipalities. The present heroic efforts of the Treasurer to make ends meet ought to be a sufficient warning as to the danger of a free-spending policy on the part of a Government without proper care that a corresponding revenue is provided.

MUNICIPAL TAXATION.

A clause in the Queen's speech, read at the opening of the Ontario Legislature the other day, foreshadowed some new sources of revenue for the Province. There have been various speculations as to what shape such new taxes, if imposed, will assume. It is to be expected, of course, that the usual array of amendments to the Assessment Act will be proposed during the present session, but, so far, no very radical proposals in this direction are in evidence. We have heard the statement made more than once that the whole Assessment Act needs revision, in the general interest, but this undertaking is a *magnum opus* which it would require more than one session to settle. If a change were made in the principle of the Act as affecting one class of property it would not be long, in all likelihood, before it would be sought to apply this or some other novel principle of valuation to other kinds of property. A certain class of law-makers are very fond of tinkering, but their efforts are apt to produce destructive rather than constructive legislation.

As a result of very recent legal decisions declaring such properties as gas plants, street railways, electric light plants, telegraph plants, to be real estate and assessable as

such, various municipalities, city, town and village, have shown a disposition to make such properties milch cows for the municipal dairies. Valuations of these, so excessive as to be ridiculous, have been made; but inasmuch as the assessed parties had to prove such amounts excessive, the effort was often an expensive one for the companies, who had either to submit to an unreasonable impost or else to bring experts from a distance to show the real value of their properties. If such enterprises are to be made a plaything for village or city assessors, one effect is pretty sure to be the discouragement of capital from investing in electric roads or lighting or power plants, which are the very things which of late days we in Ontario most need.

Passing over the efforts made within the past half dozen years to reach a basis on which to assess property of this description—one private member seeking to have such plants declared assessable as personalty; another aiming, with more reason, to levy upon the net income therefrom as the proper basis of taxation—let us see what the recent decision of the Court of Appeal says upon the subject. This tribunal declares the method prescribed by the Assessment Act for valuing any kind of property to be this: to ascertain what a given property would be appraised at in passing from a solvent debtor in payment of a just debt. This must mean the market value, without regard to the nature of the ownership or the purpose for which the property was being used.

This is probably a not inequitable basis of taxation; and if it could be looked upon as final would, we think, be regarded by capitalists as not going beyond reasonable limits. At all events it seems to us to afford a satisfactory compromise between total exemption—which was formerly the rule—on the one hand and excessive taxation on the other.

The Toronto World gave, some days ago, an instructive account of the radial railways of Cleveland, Ohio, stretching out in various directions from 20 to 40 miles each, showing what valuable feeders they are to the trade of that city, and later we have had the Detroit radial railways described. It was urged with force that such electric roads would be excellent adjuncts to Toronto's trade, and with this we heartily agree. But before capitalists consent to put money into even such essential undertakings they are very likely to require some assurance that their investment will not be at the mercy of some dozen irresponsible assessors in a dozen different townships or towns, whose way of welcoming enterprise is to tax it for all they dare, without regard to the return made upon the capital invested in the undertaking.

THE QUALITY OF CANADIAN CHEESE.

While there is no cause for serious apprehension as to the future of the Canadian cheese industry, it is unwise to neglect the warning that has recently been given us to the effect that the British consumers are growing more critical in their cheese taste, while makers in this country have not shown a corresponding betterment in the quality of their output. The complaint is made that the Canadian cheese is not mild enough in the flavor and is too hard and dry in texture. The British consumer wants a mild, "cool" flavored cheese, meaty and not harsh to the taste, and there are many Canadians who are of the same mind. It should not be a difficult matter to remove this complaint. The editor of *Farming* has taken this matter very seriously, and demands that "Something must be done, and that right away." He continues, "There has been, perhaps, of late years a little too much resting at