

of lands, the latter province has only one quarter the acreage of the former ; and he claims that before Nova Scotia can show a position of equal financial strength with New Brunswick she would have to reduce her expenditure \$136,000. This might not be easy to do, since that Province has already been obliged to make large reductions in the appropriations for the public service. The finances of Nova Scotia is represented by the Provincial Secretary of the sister Province as much embarrassed. After the next census the Dominion subsidy will be increased to \$380,000, but still the discrepancy pointed out in the future revenue of the two Provinces is a difficulty to be got over in the adjustment of the terms of union.

#### EXEMPTIONS.

The Court of Appeal has unanimously decided that the local legislature of Ontario has no right to authorize the municipal councils to tax the salaries of officers of the Dominion government. The ground taken by the Court may be strong enough to support the decision, but it does not appear to be particularly solid. The purport of the judgment is that the local legislature has no authority, directly or indirectly, to lessen the amount of the remuneration which the Dominion government allocates to its officers. Whether a general tax, which falls on the incomes of all classes similarly situated, can be said to have that effect may be open to argument ; but the precedents shown from United States decisions, in similar cases, are said to support the decision of the Court. The officers of the Dominion government are also citizens ; and they are to be exempted from burthens which fall on them as citizens. As the Court was unanimous, it is probable that the judgment will stand, though there may be an appeal to the Supreme Court, or even to the Privy Council, the latter course having been determined on by the Ontario government, in the case of brewers' licenses.

It begins to be apparent that the movement looking to the removal of all exemptions will not carry us very far at present. The 47th clause of the British North American Act is decisive as to government property. It reads : "No lands or property belonging to the general or local governments shall be liable to taxation." This clause is specially introduced to limit the powers of the local legislatures, and it completely covers the ground. If there were any general authority to tax government property, the wild lands of the Crown, whenever situated in an organized municipi-

ality, would be liable to be taxed : and the tax would in fact be a gift of the Crown to the municipalities. There would be no reason in this ; but it would be only equitable if government property in cities bore its share of municipal burthens. Charitable institutions of a public character might reasonably be excepted ; though it would be different if they were denominational in character.

The prospect of removing the absolute exemption which church property enjoys does not seem very bright. The truth is that, in the whole of North America, Ontario has taken the lead on this question. Everywhere, in the States and Canada, churches are exempt from taxation ; and the leader of the forlorn hope must be content to meet a rebuff, perhaps several, before success can be commanded.

These checks to the increase of the area of municipal taxation, though regrettable, are not an unmixed evil. Something was necessary to teach the municipalities the lesson that their powers of taxation cannot be indefinitely extended. The rapidity and success of their encroachments gave them an audacity which none of the other tax enforcing powers have shown. They were constantly seeking amendments of the assessment law, and always with the same object, the increase of the burthens of the people. Public attention has, by slow degrees, been attracted to the subject, and the time has come when the breaks will have to be put on.

#### THE BANKRUPT LAW.

The Dominion Board of Trade, at its last meeting, opposed the repeal of the bankrupt law by a vote of twenty-five against seven. And now the House of Commons has followed suit by a vote of ninety-nine against fifty-five. The question was brought up, on a motion for the second reading of a bill, introduced by Mr. Barthe, for the repeal of the Act. All question of the repeal of the law will probably be set at rest for the present. There are two ways of looking at the bankrupt law ; one is, to regard it as a means of winding up, as it was intended to be, insolvent estates in an equitable manner, and giving the debtor a free discharge, if he were deserving of it ; another is, to regard it as a means of increasing the number of insolvencies. There is some truth in both these views. The chief cause of insolvency is a glut in the market ; and the bankrupt law may be perverted so as to make traders less careful of entering into transactions which lead to insolvency. M. Barthe saw in the number of failures a reason for the repeal of the

law ; a number which he stated at 7,554, since 1873, with aggregate liabilities to the amount of \$100,000,000. In other words, every third trader had failed. But in the absence of a bankrupt law, there would certainly have been a large crop of insolvencies, though it would probably have been less than it has been. But there would have been great difficulty in winding up the insolvent estates, and it would have been done in a far less equitable manner. A permanent repeal of the bankrupt law is out of the question, though we are not certain that it might not occasionally be suspended, for a time, with advantage.

#### MUTUAL INSURANCE RETURNS.

We referred last week to such of the Mutual Fire Insurance Companies as are local in their operations, and pointed out briefly their advantages as well as some of their weak points.

We now proceed to consider the returns made to the Local Government, of companies whose field of operations is more extended, and in the working and standing of which the general public is more particularly interested. We need say very little about such of these as are conducted purely on the Mutual principle, such as the Wellington Mutual and the Home District Mutual, which confine their business within a very limited range. Their security, so far, has proved ample, and they have uniformly given cheap insurance to those who patronize them. The Manufacturers' and Merchants' Mutual of Hamilton also is, we understand, doing business exclusively on the Mutual plan, but its business is more extended and general than those above named. This company has now nearly \$300,000 at risk, showing, on the return, a liability of only \$6,815 11, while its assets are put down at \$30,372 05.

There are other companies doing a mixed cash and premium note business, the principal of these being the Waterloo, Gore District and Canada Farmer's Mutual. We note that last year's cash premiums in the last named company, is very much in excess of the income from premium notes. The amount at risk under the former system is also much greater than that under the latter. This state of matters we trust will be speedily remedied under the new management. This is also the case with the Ontario Mutual, of London, and the Perth Mutual, Stratford, though to a much less extent. We note also that while returns shows the cash premiums of the Gore Mutual to be a shade less than the assessment revenue from Premium Notes, the amount at risk under Cash Policies is nearly double that under