

Thus within two years and a half of the time that American opinion criticized unfavorably the Spanish mode of action, the American government is ready to adopt this very mode. They have discovered that in war a policy of persuasion and a partial suspension of arms fails to bring peace measurably nearer, and that the only way to get peace is to subdue the enemy. The Boers still remain active, in their hopeless contest, destroying sections of railway and capturing an occasional provision train. It is with them now a war of petty annoyance, with no hope of a favorable result.

THE ASSESSMENT COMMISSION.

The investigation going on before the Assessment Commission in Toronto has brought out the deplorable fact that false representations in connection with the tax on personal property are common. Mr. Hutton, an assessor from Hamilton, said he knew of cases where men had declared that they had no personal property, and yet when their wills came to be probated [soon after?] it was found that they possessed personal property to the amount of from \$50,000 to \$500,000. In ten years' experience he had found only two men who admitted that they owned any cash. When Mr. Proctor, chairman of the Toronto Court of Revision, suggested that the law should be so altered that any one who made a false statement to the assessor might be prosecuted at any time within five years, Judge MacLennan remarked that if this were done, "you would have half the people of the city in jail." In his time, Adam Smith reported that the rule was universal, in Holland, that men stated their incomes for taxation accurately. If these different statements regarding the facts be correct, there has been deplorable degeneracy in recent times, both in Holland and elsewhere. An income tax, as Mill points out, is the fairest in theory, and the most unfair in its working. Self-love betrays men into the vice of lying, when telling the truth would compel them to bear their fair proportion of the public burdens. There is too much tolerance of the wrong-doers, and the sad reason it is to be feared too often is that the sympathy is born of a fellow feeling due to a common practice. This feeling discredits those who entertain it, while the moral depravity comes in time to blind men to the infamy which they practice and condone.

There are some who practically, though not in terms, argue that because the personal tax is largely evaded, under its present forms, the evaders should be rewarded by being relieved from the obligation to pay any personal tax at all. But there are others, more reasonable, who are willing to find a substitute for it. A tax on the rental is the substitute proposed. The first question that suggests itself is whether this would not be a new and additional tax on land, or, if not so at first, whether it would not inevitably lead to that result? Is real estate, in the form of stores, so exceptionally profitable that it can bear new additions of taxes? These questions ought to receive answers, before the commission closes.

Of the principle of taxation which ought to prevail we do not hear much. A so-called principle of taxation propounded for the purpose of enabling the man who invents or adopts it to put his fair share of the burthen of taxation on his neighbor's shoulders deserves only contempt. No just principle of taxation will ever be discovered in this way; and it would be equally true to say that no man who desires to avoid his fair share of taxes will ever propound a true principle of taxation. The inhabitants of a municipality need police and fire protection; this is a general

rule, exception to which must be so rare as not to create a case for exemption from personal taxes. The rule is, and it is at least as old as Adam Smith, that every one should pay for protection to the extent that he enjoys it, and his ability to pay. This principle has never yet been successfully contraverted, and it is safe to say that it never will be. Any one who wishes to avoid this obligation shows that he wishes to enjoy something without paying for it, that is at somebody else's expense. Fortunately the number of persons who ask so unreasonable a thing as the abolition of all personal taxes is not large. The difficulty is not with the tax, but the form it should take. The present mode of taxing storekeepers on the average amount of their stocks is unsatisfactory and may have to go, because dishonest men can find means of evading it by lying and misrepresentation. Most men in business are willing that their contribution to the municipal burthens should take some other form; really the only practical question is what that form should be. What it should not be, it is not difficult to say. A special tax on Departmental stores would be an exceptional injustice which the Legislature would not be justified in inflicting. No form of single tax would suffice for the wants of municipalities, nor would be tolerable if it would. Business methods are changing, and those whom the change hurts would do well to see if they had not better find whether it is not possible to profit by the change, rather than waste their strength in useless protests and in attempts to obtain what is manifestly out of reach. Mr. Paul Campbell we are glad to congratulate for the public recantation of the single tax heresy; and really his persistence was about the only thing that caused the folly to obtain listeners in the past. Now that he stands aside, single-tax in Ontario scarcely commands an advocate that any one cares to listen to.

LOAN COMPANIES IN CANADA.

The report of the loan companies, building societies and trust companies reporting to the Treasury Department at Ottawa has been published for 1899. The companies reporting, 102 in number, are all Ontario ones but twelve, of which small proportion one has head quarters in Winnipeg, three in Halifax, the rest in the province of Quebec. The operations of these various concerns amount to a very considerable aggregate, but we may here remark that in the return no pains is taken in the totals of liabilities and assets to distinguish between permanent and terminable societies; between those that borrow abroad or take only home deposits, or between those which have powers as trustees, administrators or estate agents and those which have not. This fact impairs the value of the comparative statements which occur in the earlier pages of the report, because one is led thereby to compare things which are not properly comparable, although occurring under the same headings.

It is nevertheless of interest to observe the growth since confederation of societies for lending on mortgage—for this is what constitutes a large part of the business of them all. The paid capital of Canadian loan and building societies in 1867 was but a trifle over \$2,100,000. In 1877 it was \$13,858,000, and in 1887 it had swelled to \$32,125,000 in 74 companies. If we accept the totals on page x of this return the figure had reached \$47,337,000 in 102 companies at the close of 1899; but we know that in this total there are the figures of seven trust companies whose united paid capital amounts to \$2,231,697.

The halcyon days of mortgage loan companies in this