Having proved the unsoundness of the principle to which Mr. Fyshe's scheme is based, but few words will be necessary by way of reply to the letter over his name in this issue. Mr. Fyshe imagines that he has propounded a new idea, merely because he is unacquained with the doctrines put forth by a school of French economists in the last century, and at once refuted by the English economists. As to expressing original ideas on the subject of taxation, there is about as much chance of any one who is unfamiliar with the conclusions of the master minds who have investigated and philosophically treated the subject during the last century and a quarter, producing any useful original ideas, as there is of an Indian, who is unacquainted with any better means of locomotion than the birch-bark canoe affords, inventing something that shall be superior to the steam engine, or making important discoveries in astronomy without a previous knowledge of that science. When Mr. Fyshe, in his pamphlet, tells us that "the city is really in the position of being joint owner of its own area"—that is the land of private individuals—he makes use of loose and inaccurate language. He bases this joint ownership on the power of taxation; but the right of taxation does not in any sense confer joint ownership. The right of municipal taxation over all bank and insurance stocks exists in Ontario; and yet no one supposes that our cities are joint owners of the bank and insurance stocks. The correct measure of the benefits derived by all classes of citizens is certainly not, as Mr. Fyshe assumes, to be found in the value of the land he owns or occupies. Many wealthy citizens, who derive great benefit from municipal expenditure, own or occupy scarcely any land. And if this measure were a true one, the burden would still fall on a single class, the landowner, and would not be distributed. There is a great deal of difference between taxing annual income and taxing capital. If the capital is taxed, and it happens that for the particular year it produces no revenue, the effect is a partial confiscation of capital. For that reason every dangerous form of taxation ought to be avoided; otherwise bank, insurance and other stocks will be in danger of being taxed when they may happen to earn no dividend; which tax would operate as a partial confiscation of the capital.

CREDITORS RELIEF ACT 1880.

The Bill for the absolute repeal of the Insolvent Act has passed both the Commons and the Senate and now awaits only the Royal assent to become law. In its stead unless a law for the distribution of assets be passed by the Dominion House before it rises, must come so far as this Province is concerned the creditors Relief Act of 1880. This statute has been passed by our Local Legislature, and has received the assent of the Lieutenant Governor, but by one of its provisions does not become law until a day to be hereafter fixed by proclamation. Whether any step will yet be taken by the Government at Ottawa, before the house rises, to introduce a law for the distribution of assets applicable to the whole Dominion remains to be seen. Certainly the disadvantages that must necessarily arise from the divergence in the laws of the different provinces on such a subject are sufficiently grave to entitle this suggestion to the Government's best consideration.

It is, however, obviously unsafe to trust to any such law being introduced at present and it consequently becomes a matter of the first moment to all business men, but more especially to those engaged in the wholesale trade, to acquire at least a general knowledge of the provisions of the measure which will in all probability be hereafter the only machinery for winding up the affairs of defaulting debtors. The different principles underlying this law are so essentially at variance with any which have thus far governed the relations of debtor and creditor, that its enforcement cannot but cause serious derangement in existing business practices and customs. In effect the repeal of the insolvent law and the substitution of this statute will be to establish a new order of things, having little in common with either the repealed law, or that which preceded it.

Bankrupt laws may have been imperfect—in many respects no doubt were so. The business of the country had however, shaped itself to such laws as the remedy available in case of every loss or disaster. Creditors knew what they had to expect. Now no man can tell what to look for in case his debtor gets into difficulties.

This result must necessarily follow to a certain extent the introduction of every new law. The evil is greatly exaggerated when the law is new not merely in its provisions but in the principles upon which it is based. There are many respects in which the change will necessitate corresponding alterations in the customary modes of doing business. Prudence suggests a careful consideration of these changes beforehand as a safeguard against serious blunders when the act comes into force.

Probably the best thing that can be said in favor of the new measure is that one of the strongest tendencies resulting from its working will be the further restriction of credits, both in point of time and amount. Notwithstanding all that has for years past been said (and by many houses practised), with a view to such restriction there is still much room for improvement in this respect. If the Attorney-General's new act aids in this good work it will have done much to atone for its lameness as an administrative measure, though this particular benefit may not have been contemplated at all by its framers.

On the other hand we fear one effect of the new departure will be to further loosen the already too lax band of good faith between merchants. There can be no doubt that in the past *all* have suffered from the comparative absence of this good faith, and the evil will most surely be increased by a measure, the inevitable tendency of which will be to drive creditors to every sort of device to secure payments without having recourse to the cumbersome machinery of the Act.

With the purpose of preparing so far as in us lies, the mercantile community for the changes which must necessarily follow the Bankrupt Law Repeal, we intend to discuss more in detail the provisions of this enactment. Lack of space forbids further reference to the subject this week.

NOVA SCOTIA FINANCES.

A statement of the revenue and expenditure of Nova Scotia for the year 1879, has been laid before the local legislature. Apart from the Dominion subsidy, the following were the amount and sources of revenue:

Crown Lands	$ 10,446 84
Hospital for Insane	18,088 66
Mines	49,131 81
Miscellaneous	69 18
Marriage Licenses	7,293 99
Subsidy	283,064 59
Private Bills	350 00
Fees Prov. Sec. Office	2,716 95
Gazette	2,898 69
Searches	62 51
Trespasses	47 00

The subsidy amounted to $283,064 59, strange to say a good deal less than the estimate. The explanation is that it has heretofore been the practice to borrow each year $50,000 from the subsidy of the coming year. The amount has now been placed to the year it actually belongs to. At the beginning of the year, there was a balance against the Province of $315,624.12, which is $38,067.62 more than it was at the end of the year.

On the subject of the coal duties, which came up in connection with the Provincial Royalty on coal, the Provincial Secretary, to whom it falls to make the financial state-