THE PERSONALTY TAX.

ENOUGH has been written concerning this pernicious municipal tax to supply a student with five years' reading, but still it is with us. The cities of the United States have been trying to free themselves from it, but with only moderate success. In Canada, the leading cities from Halifax to Victoria have labored with the problem, but still the oppressive and iniquitous tax is used by our municipalities. The rulers of this country are too conservative altogether. The fathers of the municipality think that what was good enough for the grandfathers is good enough for the grandsons. In fact they find this problem too heavy for them, and for fear of making new mistakes, they retain the mistakes of the past. This is a nice rule of thumb, but it is exceedingly disastrous to the welfare and morals of the community.

Equality should be apparent in all systems of taxation, but it is not one of the results of the personal property tax. Part of a community's personal property cannot be found by even the shrewdest assessors; and when part cannot be found, the part that is found bears its own share, and the share of the unfound part. For example, suppose a municipality tried to tax a man on his bank deposits—does any sane man think those deposits would be there, when the assessor came to examine the books. They wonld be withdrawn. Theoretically they are taxable in Ontario; practically they are exempt.

Moreover, a personal property tax is inexpedient. It drives moveable property away from the municipalities which impose the tax most thoroughly. Now in cities, the value of real estate depends altogether upon the accumulation or personal preperty upon it; and to drive away this moveable property is to create in this way, a double loss in assessable property.

Some forms of personal property are already exempt, and thus the burden falls more heavily on the other classes. For example, in Toronto all machinery in actual use for manufacture is now exempt, by a bylaw.

But the greatest and gravest objection is the fact that a man must perjure himself or pay more than his share of taxation. Suppose you have two men doing business with $50,000 capital, mostly in form of merchandise, one claims that his debts are so great that he is worth almost nothing, and he gets off with an assessment of $5,000. Many men make such a statement who have few or no debts but do it to escape taxation The other, being more honest admits a net worth of $50,000 and is taxed on that He pays ten times as much taxes as the other, and perhaps makes less profit. Tax debts as well that is make no deduction for them, and the assessment is unfair and double taxation results. Exempt debts, and fictitious debts are created with a view to escaping taxation.

There is a strong idea abroad that a man who is engaged in commerce should pay full taxes. These men are the bone and sinew of our country, and their burdens should be lightened. In Toronto the merchants are suffering very much, as they pay the double share in many cases, due to faulty assessments; and then this double share is again doubled by reason of the exemptions of other classes.

Now the personalty tax should be done away with for the above and other reasons. A tax on realty is better because realty is visible, easily valued, and permanent in location, it derives an increased value from public security and public works, and it is a permanent source of revenue. A personalty tax might work fairly as a Dominion tax,but it is useless as a municipal tax.

The Dry Goods Section of the Board of Trade are about to ask the provincial government to appoint a commission to investigate the subject. This is the least it could do towards learning truth. The dry goods merchants of this city are well knowledged in this matter and know whereof they speak. The most indefatigable worker for this reform is Mr. Paul Campbell, of Jno. Macdonald & Co.; but the movement has the sympathy of nearly all the leading merchants and other public men of the city.

HOLIDAY GREETING.

Before we speak with our readers again, the Christmas trade and festivities will have been enjoyed. No matter how bad the holiday trade, Christmas day will bring kind wishes of "Peace on earth, good will to men." The troubles and trials of business will be laid aside, and through this youthful Christian country, the Nativity will be celebrated with glad and joyful feelings. Amid gentle music and pealing of bells, all the world will be glad. Perhaps to no other set of business men, more than to the readers of this journal, is Christmas a marked day. No sooner is one enjoyed, than another is being prepared for. Their duty it is to furnish the people with the tangible expressions of good will which pass from one friend to another. We wish each and all our readers a genuinely Merry Christmas and the brightest of prospects for the New Year.

A BUSINESS GUIDE.

Mr. C. C. Fleming, of Owen Sound, a member of the Institute of Chartered Accounts of Ontario and the author of several works, has issued a book, entitled Expert book-keeping, an advanced work in connection with this subject, which has never been treated by any other writes in as special a manner. It deals almost entirely with the formation, incorporation, and book-keeping, of joint stock and loan societies, churches, partnerships, auditing, investments, municipal book keeping, etc. It contains both the Dominion and the Provincial laws relating to corporations. Besides this it contains a great deal of information which is valuable and useful for all kinds of book-keepers and business men. It will be of special benefit to officers, shareholders, etc., of all classes of incorporated concerns, as well as to students of the advanced branches of book-keeping The author has treated his subject in a clear yet exhaustive manner, and has produced a classic work on this subject. The book is elegantly gotten up and contains 337 pages.

THE TWO LAWS.

THERE are two great economic laws which are always spoken of either in conjunction or in contrast. One is the law of increasing returns and the other the law of diminishing returns. Business men should know them thoroughly.

Suppose a farmer to have a hundred acres of land, which he is cultivating with a small capital in the form of a few implements and one horse. He hires no laborers, but he and the horse work steadily on through spring ploughing, seeding, haying and harvesting. He cannot cultivate the land thoroughly, has to neglect his fallows, and do his work superficially. The earth yields gratefully and his grains of all kind amount to 300 bushels. He has lived and made a few dollars more to go into the old sock. Now, suppose that bright-eyed son of his comes home from business college, and he says, "Father, let us get some more horses,another waggon and hire a laborer, and let us cultivate this land properly." It is done. More labor is put on the land and the next harvest time sees a heavily cropped farm and a huge return of 1,500 bushels of all kinds of grain. The net proceeds in money are $500 more than before, the wages, intesrest, etc., are $200, and three hundred dollars extra gain is made. This is an illustration of the law of increasing returns. Apply more capital and receive a greater rate of profit. This applies to business also For example, by investing $150 in advertising, $300 may be gained. Here the extra investment brings in a gain equal to double itself. This is increasing returns. With $5,000 stock a man may do a business of $15,000 a year and a net gain of $1,000, aftor deducting expenses amounting to $500. With $10,000 stock a man may do $30,000 worth of business and have a profit of $3,000, from which must be deducted expenses which have arisen to $750 or a net gain of $2,250. This is the law of increasing returns.

But there is a point where the law ceases to operate. As soon as a farmer has his farm well cultivated, under drained, etc., a further investment may lower the rate on the whole investment. When a business man has reached the limit of possible consumption he must invest no more. Some people claim a business man never reaches this limit; that the law of diminishing returns never begins to operate on his business, but that further investments, if judicious, will always slightly increase the rate of return on the whole investment. But this is a case of circumstances. The law may never apply to city dealers, but it applies very strongly to dealers in the smaller towns where the scope is limited. But as soon a certain point is reached the law of increasing returns ceases to operate and the law of diminishing returns begins to take its place. This point then should be the goal of all business men Invest carefully, but invest until you think you have reached the point where the two laws make an equilibrium and then rest on your oars. Every business man must ascertain the point of equilibrium for himself.