

The disposition has been rather to increase than decrease the catalogue. The Consolidated Statutes, constructed ten years ago, but founded on laws much older, contained a list of twenty-one exceptions; now the number has grown to twenty-five, the increase embracing—1st. The property of horticultural societies, tacked on to a previous exception of mechanics' institutes, literary or scientific institutions, and agricultural societies; 2nd. Rental or income derived from real estate, and from Provincial debentures and debentures of Canadian municipal corporations; 3rd. The houses and premises occupied by officers and privates of the regular army or navy; 4th. The official salaries of the officers and servants of the Government Departments in Toronto and Ottawa. All the exemptions, except these four, have existed for the last fifteen or twenty years or longer—most of them, probably, since municipal taxes were first levied in the Province.

Of these, the last enumerated is probably the one that has elicited most objection. On general principles, there is probably no difference. But it would be quite competent for those cities to say, in effect—"We will throw off this much taxes in consideration of the advantages we derive from the presence of the Government." There is nothing to show that Ottawa made any such offer; but it is in evidence that the official organ of the Corporation of Toronto assured the Ontario Executive that that body desired this exemption to be made. It is not at all certain, however, that the great body of the rate-payers ratify that expression of opinion, and the preference will no doubt soon be removed.

But while this exemption has some, though insufficient ground to rest on, there are others, of old date, that have none at all. But let us first look at the other two that are new. That of houses and premises occupied by troops, stands out conspicuous. If there were a certainty that the benefit of this exception would reach those for whom it was intended, it would be anything but unreasonable. If we may trust the figures of Sir Chas. Dilke, England has, up to a very recent date, been spending three millions sterling a year for the protection of Canada: a sum equal to the entire cost, to our own people, of supporting the government of the Dominion. To considerations of this nature the exemption is due. Nevertheless, this mode of remitting taxes would fail of its object. The average rate of rent is determined, after the cost of building land and building, by the relation between the supply and demand for houses. The tax paid by a tenant is a tax on his expenditure, or if you will,—a tax on consumption—for the house is being slowly consumed, and a house free from taxes would bring the average

rate paid for similar houses with the taxes included. In other words, the landlord, not the tenant, would reap the advantage of the remission. If military men were occupying under lease, for a term of years, when the exemption went into effect, they would reap the benefit; but the transitory nature of their residence—their liability to be recalled at any time to another station—is inconsistent with any other holding than yearly tenancy.

If the property of agricultural societies be exempted, why not horticultural also? But why should either? There are too many exemptions, and some of them very unreasonable. Many would hesitate to class as such, churches and charitable and literary institutions. As for ministers of religion, what has been done with them of late, has been a little to increase their privileges. Time out of mind we exempted their salaries, or stipends, "from what ever source derived," up to \$2,000. Now the amount is unlimited, which is certainly unjust to the rest of the public, and the parsonage or dwelling house, is thrown in; but the words "from whatever source derived" have been dropped, and it is evident that the income must be a clerical one to entitle it to exemption. If the law has hitherto been administered differently by assessors, and those who revise their works, it has been administered wrongly. Rigorous justice would not require municipalities to supplement the incomes of ministers of the gospel to any extent, at least it has been done out of good nature.

The most formidable exemptions are: The income a farmer derives from his farm, income from provincial or municipal debentures; railroad stock, and bank stock. There can be no reason for exempting any of these, except the last. Bank stock is exempted, admittedly because there is a tax for general purposes levied on bank issues; and if that tax were repealed, the stock would, as the law now stands, be taxable. And here a very nice question arises: is the reason given for the exemption, a good reason? This depends on what is considered the foundation of the tax on bank issues? The government in delegating to private corporations that part of the sovereign power of coining money, which consists of providing the substitute paper, parts with a valuable privilege, and it indemnifies itself by a tax on the issue of the paper. If the view be taken that when the corporation has paid that tax, it has paid for the privilege and no more, then the exemption could not stand. But if the privilege of issuing paper representatives of money is not valuable, if the government is justified in parting with it without an equivalent, and if the tax on bank issues is an ordinary tax, a different conclusion may

be arrived at. But this consideration cannot well be left out of the account.

To exempt the holders of railroad stock and government and municipal debentures, is to discriminate in favor of realized property and against those who are struggling to realize a little, or for very existence.

The question of taxing twice any particular property has been treated with a discrimination of which the justice is not apparent. Merchant's stocks are taxed at the same time that their incomes are taxed. This is not exactly taking the same thing twice; but it is taxing, first the stock from which the income is derived, and then the income. The latter, it will be said, only really comes out of the merchant's pocket; he is reimbursed by the consumer all he advanced on the stock, whether in this shape or in the shape of customs' duties, price of purchase, insurance, or freight, with a profit on the whole transaction. This would be true under ordinary circumstances; but it is not true if stocks are taxed in Toronto and not in Montreal. The Toronto merchant has to compete with the merchant of Montreal; and if the former has to pay a tax that the latter is exempt from, he has to deduct the amount from his profits; for he cannot, by an increased price of goods, shift it on to the consumer.

The question of taking the incomes of fiscal corporations—as building societies—*en bloc*, may be easily disposed of. It is evident that they cannot, with any regard to equity, be taxed in that way, if the municipalities where they do their business would get the proceeds of a tax properly leviable where the owners of the stock reside, and for which they are properly assessable. This class of income should not escape its due contribution to public purposes; but it can be taxed *en bloc* only by requiring the different societies to undertake the duty of informing the municipalities interested what amount their various stockholders are properly assessable under this head; or by laying the tax on the dividend, provision being made for its proper distribution.

COMMERCIAL UNION ASSURANCE COMPANY.

We publish, to-day, a circular of this company, with the last balance-sheet. It is gratifying to observe that a number of leading companies have not been slow to observe the signs of the times. There is a growing conviction both in Great Britain and in this country in favor of greater publicity, especially on the part of the life companies. This is as it should be; a sound public opinion upon matters of the kind is an important safeguard against mismanagement, and the various abuses that are apt to arise in the conduct of life insur-