

**The City's Finance.** The city Treasurer has addressed a letter to the press in which he states: "The assessment of 1893 is not an attempt to raise the utmost possible amount for future expenditures, but an absolute requisite to pay the interest cost of expenditure already made." The assessments thus referred to are those which have caused so much opposition, owing, not merely to the great increases made in private, taxable properties, but to the extravagant and unjustifiable additions placed upon valuations of properties exempted from taxation. The Treasurer's statement is an explicit acknowledgement that these increases were not made on assessment principles, but, as he so naively puts it, to meet "interest cost" on money already spent; that is, expenditures were first made, and then the assessments were inflated to provide for them. Such a system of financing is radically unsound; it destroys the independence of the assessors, who, by their very oath of office, are bound to fix the values of properties solely from a marketable standpoint, which cannot be done if they have in any way to consider the necessity of raising assessments to meet the interest charges on expenditures "already made." Expenditures entered upon in anticipation of increases, such as those which have occurred, are made on too speculative a basis to be prudent. They are very apt to depress the real value of properties, and so cut away the very foundation on which they were raised so high, as excessive taxation lowers the income derivable from properties, and therefore lowers their true assessable value.

**Taxing Stocks.** The proposal to tax the stocks held by our citizens in financial and industrial enterprises is a very attractive one to those who take a communistic view of capital, who regard it, and its possessors, as the enemies of labor, and of all who are without such property. A more shallow or more mischievous proposal could not be made. To every form of enterprise *capital* is discharging a similar function to that of a *reservoir* to our water supply system. Every dollar taken by taxation from the working capital of banks, and other joint stock institutions, means so much abstracted from the power of that capital to fulfil its invaluable services. If capital engaged in Montreal were taxed *as Capital*, it would suffer a local depreciation of value; the local burthen would force it away from the point where such pressure was applied; it would seek more advantageous fields for employment. The result would be a serious drawback to the industrial and commercial life of this city, owing to the local restriction of monetary resources and the greater local costliness of money, from which conditions would arise a transference to other places of a large measure of those activities upon which the prosperity of this city depends. Our civic authorities, and the Provincial Government, should do all that is in their power to keep the very life blood of commerce in the veins of this city and Province. If Montreal desires to retain its preeminence, it must progress. But progress, development, will be fatally obstructed if such taxation is imposed as will drive capital to places where its advantages are more appreciated, and its inflow encouraged.

#### THE MUTUAL OBLIGATIONS OF INSURER AND INSURED IN LIFE INSURANCE CONTRACTS.

In our last issue we emphasized the unwisdom of applying for any larger amount of Life Insurance than the applicant can reasonably anticipate carrying without burdening himself too heavily. We urged that no larger amount should be applied for than the intending policyholder has a reasonable certainty of being able to carry to its maturity. Staggering under a far too heavy burden is in itself discouraging to the last degree, and a man may do his duty to his family in the way of life insurance without bringing himself into any such unfortunate position.

If a person's means are now restrained within narrower limits than he thinks they will be confined by in the future, it would be better for him to carry such an amount of insurance as he can pay for to-day, and, as soon as his income is enlarged, add another and still other policies to his stock of life insurance, as fast as his business circumstances indicate the probability of his being able to keep them up.

To tell people just about how much life insurance they ought to carry has some slight flavor of dictation on a point that we may know less about than they do themselves; but there are some general principles that it is well to bear in mind, and that, if, not suggested by us, might not occur to the applicant at all if he is absolutely lacking in knowledge of the plans, methods and general workings of life insurance.

In the cases of mechanics, artisans, the poorer paid clerks, and many thousands of men whose yearly income is not expected to rise above \$1,500 or \$2,000, the question is of the very easiest solution, because it solves itself. Such men, if burdened with the care and responsibilities of wife and children, find their loving thoughtfulness and self-sacrifice put to the test, even to save \$50 or \$100 a year for investment in life insurance. With such persons, therefore, it is not a question of how much they desire to carry, but of how much insurance they can secure for the few dollars of annual premium that by strict economy they find they are able to spare from their annual incomes.

There are, however, many, many thousands of men who earn generous incomes, varying all the way from \$5,000 to \$50,000 per annum, and these men, merchants, manufacturers, lawyers, physicians, and workers in other professions, are the very men who should give a most careful consideration to the subject of life insurance. In very many cases they live up to the limit of their incomes, and accustom their wives, sons and daughters to a generous and easy mode of life, in contrast with which a forced economy with the imminent threat of want and starvation before them would be a most terrible affliction. Men earning such incomes as we have indicated should never be so criminally negligent as to fail to secure their families at least a means of genteel livelihood in the event of their death.

Suppose a man in such circumstances, being unable to rely upon any large accumulation of money or money value from his business, decides that the necessities of his wife and children, in the event of his death.