be compelled to contribute his share. By the Assessment Act, as it stands, rental is is exempt, while the merchant is taxed on his merchandise, as well as on the income he derives from his business. As we showed, last week, the Ontario merchant is unwisely burdened and loudly complains of double taxation. The Toronto City Council have petitioned the Legislature, urging this reason as a ground for the repeal of the particular clause which renders such taxation possible. But it is also prayed in the same petition, that the personal property of all incorporated companies shall be assessed against the company and not against the individual shareholders. In the case of, say, Building Societies, a tax of one per cent would yield a very large sum, as their capital is invested in personal property. Rental, is exempt, we presume, for the reason that the property from which it is derived pays a tax, and if the rental were not exempt, there would be a double taxation. These building societies have their capital invested in mortgages, and the question arises, whether, if mortgages be taxed individually or collectively, the capital is not taxed twice. Real estate is assessed at its face value, without any deduction for what is owing upon it; personalty is taxed upon the balance, after deducting indebtedness. If the debtor pays upon the amount he owes upon mortgage, and the creditor also pays upon the debt due to him, double taxation is thereby levied upon the same capital. The position has been well illustrated in the following way:—

A and B have each say $1,000, upon which, as personal property, they are liable to assessment; and C owns real estate worth $2,000. There is $4,000 capital to be taxed. Then A buys the property from C, paying him in cash, of which he borrows $1,000 from B. The assessors comes round and assesses A on the property he has bought—$2,000—B, on his mortgage, $1,000, and C on the proceeds of the sale of his property, $2,000, in all $5,000, just the amount of the mortgage more than their agregate capital.

Or, A has a piece of land worth, say $1,000, and erects a building upon it, and borrows from B $1,000 for that purpose. He will then be assessed for $2,000, (the value of the land and building) while if B is also assessed upon the mortgage, there will be $3,000 of property taxed, where, in fact, only $2,000 exists.

Or, A has real estate worth, in cash, $5,000, and he gets advances upon it to its full value. He will be assessed for $5,000 and the mortgagee for $5,000, just double the amount of their entire capital. Suppose then the mortgagee takes a deed of the property, the assessment immediately falls back upon what it should have been originally, $5,000 instead of $10,000.

The conclusion to be drawn therefore is, that capital invested in mortgages is taxed in the property mortgaged.

It is also to be considered whether one municipality in which an incorporated company has its headquarters has a right to levy on the capital of that company, while the contributories reside elsewhere in the province. A shareholder who lives in Hamilton might reasonably inquire why he should be compelled to assist in paying the debts of the Toronto Corporation, or Hamilton might urge its claim as a municipality, to receive a portion of the assessment, so far as concerns the stock held by its citizens.

As a matter of principle, it appears wrong for the state to attempt, by discriminating between investments, to force money out of its natural channels.

UNITED STATES FINANCES.

President Grant, in his Message to the United States Congress, expresses the opinion that Legislation should be had to restrain the banks from allowing interest on deposits, on the ground that payment being obtained on short notice, country banks which pay interest on deposits transfer their funds to other banks, from which they receive interest in return, and thereby the currency of the country is centred in cities; and that banks in cities, being liable to respond to drafts at any moment, decline to make loans on commercial paper, but insist on call loans, with government bonds as collaterals. As merchants will not borrow large sums payable on demand, the funds of the city banks are loaned to persons engaged in speculative pursuits, and the rate of interest is raised. In 1868, forty-one per cent. of the loans of the New York banks were on demand, and in 1869, thirty-one per cent. He therefore recommends, also, a limit on loans on collaterals to an amount not exceeding ten per cent. of their capital. The question of a reciprocity treaty with the Dominion is not viewed with favor. He thinks no citizen would be benefitted by reciprocity, owing to their internal taxation.

A return to specie payments he considers expedient, but does not deem immediate resumption advisable. His method is to authorize the Treasury to redeem its own paper, at a fixed price, whenever presented, and to withhold from circulation all currency so redeemed until sold again for gold. The debt is represented in great part by 5-20's and 10-40's, bearing interest at 6 and 5 per cent. respectively, it being optional with the Government to pay them at any period after the expiration of the first time mentioned on their face. He believes that they may be replaced by bonds bearing interest at the rate of 4½ per cent.

LIFE ASSURANCE.

There is now before the Ontario Legislature a Bill to amend 29 Vic., cap. 17, the Act securing to wives and children the benefit of assurances on the lives of their husbands and parents. By that Act it was made lawful for any person to insure his life for the benefit of his wife, or his wife and children, or for the benefit of his children only, and to apportion the amount of the insurance money. But no provision was made for the payment of the money in the event of the children being under age, and for the execution of a proper discharge to the insurance company. It is now proposed to make it lawful, in cases where no one is named to receive the money, and the children are under age, to pay the money to the executors of the assured as trustees for the minors; and where the assured has died intestate, to pay the guardian appointed by the Surrogate Court. In case of death, before the assured, of any one beneficially entitled, then the survivor or survivors shall receive the money; or, in case they all die before the assured, then his executors or administrators shall be the proper parties to receive it. This, of course, will not operate to prevent the assured from executing a new declaration in favor of others. The benefits of a policy may at any time, by any writing, notified to the company, or by bill, be revoked as to any one or more of the beneficiaries named, and be declared in favor of another or others of them, to the exclusion of those to whom the revocation refers.

Provision is also made for the surrender of a policy. If a person who has effected, or shall effect, an insurance in the terms of the Act, find himself unable to meet the premiums, it shall be lawful for him to surrender the policy, and to accept a paid-up policy instead, payable at death, in the same manner as the original policy; and the company may accept the surrender and grant the paid-up policy, notwithstanding any declaration in favor of the wife or children.

A power to borrow on the policy such sums as may be necessary to meet the premium, is also granted, notwithstanding the declaration, the amount borrowed becoming a first lien on the policy. Any person insuring with profits may apply them either in payment of premiums or direct them to be added to the insurance money payable at death.

Existing life policies, heretofore effected, may be declared for the benefit of the wife, or the wife and children, or some of them,