

used by Mr. Larned ten years ago, and will fail to convince an intelligent community that there is any ground for seeking separation from the Empire, or, in other words, inciting the Canadian people to engage in civil war, which would be the inevitable result of any real attempt of the annexationists to give effect to their views.

THE QUEBEC LOAN AGAIN.

With the view of controverting the assertion contained in the article in our last issue that the Quebec loan will only realize 95½ instead of 98 per cent., the *Montreal Gazette*, in its issue of last Monday, states that "The Government has the option of paying either in Paris or London, as it may deem most expedient." "If it selects the former plan," says our contemporary, "and there is little doubt about its doing so, the bottom drops out of the calculations of the *JOURNAL OF COMMERCE*."

Let us see: the text of both agreements between the French capitalists and Mr. Wurtele has been published; and in the clauses relative to the payment of coupons and capital in the first proposition A, as well as in those relative to the payment of the bonds to be redeemed semi-annually in the 2nd proposition B, the sum to be provided for the purpose is stipulated in pounds sterling and to be remitted to London; no mention whatever being made of the parity in francs, which parity, wherever it is referred to in the contracts, is invariably on the basis of one pound sterling being equal to twenty-five francs.

Article 6 of contract A reads as follows: "Pour le paiement de ces coupons, le gouvernement de Québec s'engage à remettre chaque semestre, en temps utile, à la maison ou établissement qui lui sera désigné à Londres par Messrs. L. & R. Cahen d'Anvers & Cie., la somme de vingt mille livres sterling nécessaire à cet effet." Further on: "Le gouvernement s'engage également à fournir en temps utile à Messrs. L. & R. Cahen d'Anvers & Cie., ou à la maison ou établissement qu'ils désigneront à cet effet, huit cent mille livres sterling (£800,000) pour faire face au remboursement du capital obligations le premier juillet, 1910." We translate these two clauses as follows:

"Art. 6. For the payment of these coupons, the Quebec Government binds itself to remit every six months in due time to the banking house or banking institution designated in London by Messrs. L. & R. Cahen d'Anvers & Co. the sum of *twenty thousand pounds sterling* necessary for that purpose." "The Quebec Government binds itself also to remit in due time to

Messrs. L. & R. Cahen d'Anvers & Co., or to the banking house or institution they may designate to that effect, the sum of *eight hundred thousand pounds sterling*, (£800,000) to meet the reimbursement of the whole issue of bonds, on the 1st of July, 1910."

The article 6 of contract B contains the same conditions, and is as follows:

"Le gouvernement de Québec s'engage à remettre chaque semestre, en temps utile, à la maison ou établissement qui lui sera désigné à Londres par Messrs. L. & R. Cahen d'Anvers & Cie., la somme de quarante-huit mille livres sterling (£48,000) nécessaire pour le paiement des coupons et des obligations amorties," which being translated reads:

"The Quebec Government binds itself to remit every six months, in due time, to the banking house or institution that may be designated in London by Messrs. L. & R. Cahen d'Anvers & Co. the sum of forty-eight thousand pounds sterling (£48,000), necessary for the payment of coupons and redeemed bonds."

Our assumption that the principal is to be paid in sterling money in London, at the rate of twenty-five francs to the pound sterling (and not, as the *Gazette* makes us say, at the rate of twenty francs) is amply sustained by the documents signed by the Government representative. The text of the agreement provides that 40,000 bonds of 500 francs, or £20 sterling, each shall be issued, which is at the rate of 25 francs to the pound sterling; and the amount of these bonds at 98, or 19,600,000 francs, is to be placed at the disposal of the Government in Paris. Now our contention is that, although the actual par of exchange between London and Paris is 25.2213 francs, or over 25 francs and 22 centimes, the Province will only receive 25 francs for every pound sterling. The difference is correctly stated in our former article. The *Gazette* has confined its criticism to the payment of the interest, and is wholly mistaken, as we have shown above; but the main point is as to the amount which the Province will receive in London or elsewhere. The par, according to the agreement is 25 francs to the pound sterling, whereas the real par is 25.2213; and the artful bankers have taken care that what the Province is to receive is to be received in Paris, whereas what it has to pay is to be paid in London. Adopting the phraseology of our contemporary, we conclude with the remark, that it is a pity that so little brain power was used, even in this hot weather, in elaborating objections which the simple reading of the text of the agreement so easily dissipates.

MUNICIPAL ASSESSMENT.

The correct principle upon which to impose taxes for local and municipal purposes has long been a debated question. That there is much injustice practised in many municipalities throughout Ontario, in the application of the principle at present in vogue, there is no doubt. A striking example of this injustice has recently come to light in the county of Welland. The County required to raise by assessment \$20,000.00 for the building of a registry office and for certain changes in the county buildings. This amount had to be raised by the different municipalities throughout the county in proportion to the amount of their respective assessments.

By Sec. 68 of the Revised Stat., Ont., cap. 180, County Councils are required to equalize the assessments of the municipalities under their jurisdiction with a view to imposing rates for county purposes. This "equalizing" in the county referred to was done in so unequal a manner that two of the aggrieved municipalities appealed under sub sec. 2 of 42 Vic. cap. 31, sec. 33, from the decision of the Council to the county Judge and Sheriff of the county. Upon enquiry it is ascertained that very much of the best farming land in the county is assessed at from fourteen to eighteen dollars per acre, when it will readily bring upon the market from \$75 to \$100 per acre. It is also ascertained that many well-to-do farmers, owning from one to three thousand dollars worth of personal property, are assessed for from three to five hundred dollars worth; and that the chattel property owned upon the eight Townships in the County, embracing an area of 220,833 acres, and a population of about 18,000, is assessed at about \$416,000.00, while the chattel property in the six urban municipalities, embracing in all a population of about 11,000, is assessed at about \$150,000. It is also further ascertained that the representatives of the rural municipalities had combined together to keep their own assessments down far below their fair value and to increase those of the urban municipalities out of their proper proportion, and thus throw upon them more than their legal share of the county indebtedness.

The evil begins with the assessors in the rural municipalities. The municipal Act, sec. 23, cap. 180, Rev. Stat., Ont., provides that in the assessment "real and personal property shall be estimated at their actual cash value as they would be appraised in payment of a just debt of a solvent debtor." Notwithstanding this