

should the interest of the counties be forced to abide the result of sharp bargaining on the part of such as see more benefit in a dog-in-the-manger policy than in building a railway.

The western peninsula affords a short cut between New York and the western states. One party, concerned in the railways which terminate in Detroit, are said to seek the control of the Erie and Niagara Extension charter in the interests of that city, professing a desire to build a tunnel across the Detroit river, and a suspension bridge at Niagara. The Michigan Air-Line Railway Company form another party. Their line touches the St. Clair river, opposite the township of Moore, in the county of Lambton. A route from Buffalo to St. Clair would be fifty miles shorter through Canada than that ~~via~~ St. Thomas to Detroit. The third rival is the interest, which seeks a charter under the name of the Canada South Western Air Line Railway, with Oswego men as its promoters. These last do not propose to construct the road from St. Thomas to Detroit, but look at the route in the same light as the Michigan Air Line Company. We have besides these named, the project of the Great Western, to construct a line from Glencoe through St. Thomas to the Suspension Bridge. The through traffic is the bone of contention. In the last half year the local traffic of the Great Western was 36.9, and the foreign 63.1 per cent.

There are two railways in operation with which these projects may be regarded as interfering. One is the Great Western; the other, the Grand Trunk, and it becomes a serious question with Canadians, seeing that we are so deeply interested in the prosperity of these two, whether it will be to our advantage to encourage and assist rivals in carrying off a large share of the through freight and passenger traffic. There might be some excuse for chartering railways, whose object would be to furnish facilities to unsupplied sections of country, but it is manifestly unwise to allow existing lines to be injured for the accommodation of American shippers, or to minister to the cupidity of railway speculators. One of the principal objections to the Georgian Bay Canal scheme is that its whole aim is to benefit Chicago and Oswego, and our Legislature very naturally declines to dower it with our public lands. The requests of these railway projectors are about as reasonable as those of Mr. Capreol. Railway investments in Canada have been sadly unproductive, and now when the twenty-six millions, which the Great Western Company expended, are beginning to yield a return, we are coolly asked to give away charters to parallel lines whose proclaimed object is to compete for the through traffic.

It is alleged that American lines need additional means of communication. We are under no obligation to supply it. The endeavor to command through traffic has not reacted very favorably on Canadian interests. In the case of the Grand Trunk, it has, at times, seriously interfered with the business arrangements of Canadian shippers, and led to ruinous competition on the part of the companies themselves. But it has yet to be shown that a third railway is needed, at the present time, though doubtless, in the future, there will be plenty of business for all. The Great Western Company have not been idle. £58,000 was spent upon the permanent way last year, and £86,322 in the locomotive and car departments. But though the amount expended in all the departments was much greater than the year previous, the revenue was not proportionately larger. The earnings in 1868 were at the rate of 8d. sterling per car per mile, but in 1869 they were only 7d. This was owing to the fact that low rates prevailed during the latter year. The extra work of engines and cars added only £28,418 to the company's revenue. Had the receipts attained the same ratio to the car mileage that they did in 1868, the company would have been able to declare a dividend of nearly six per cent., instead of three. What has been done by the Great Western shows that they are ready and willing to furnish facilities for American through traffic, as the demand increases. In 1867, they laid a third rail between Niagara and Detroit, and placed an iron ferry on the Detroit River capable of carrying fourteen loaded cars at a time. This third rail of 4ft. 8½in. gauge gives perfect connection between the New York Central, at the one end, and the Michigan Central at the other; so that it can hardly be urged with fairness that there is such a lack of facilities for the transport of through traffic as will justify the chartering of rival lines.

We know that some support the policy of giving charters to whatever company may ask them, without the slightest regard to whether they are rival lines or not. But the danger of such a policy is so apparent that we cannot think any large number are its supporters. No surer method could be adopted to prevent all investment in Canadian railway enterprise, and to thwart the object the Legislature has in view—namely, the construction of public routes. The true policy appears to us to be the construction of lines that will act as feeders to existing lines, or cut the country from north to south, instead of coming into direct rivalry with the trunk lines from east to west. A line running the entire length of the western peninsula, while it would run parallel with the Great Western for a hundred miles, would

not afford the best railway facilities to that portion of the district which requires additional accommodation. It is quite possible to procure this accommodation without in juriously affecting existing interests, as in the case of the proposed Norfolk Railway Company, whose route is from Port Dover or Port Ryerse to Simcoe and Brantford, with a third rail from Brantford to Harrisburgh. It will be for the Legislature to consider whether, under the circumstances, it is not better to consult the interests of our own country, our own people, and our own railways, than to injure all for the benefit of foreign lines or foreign shippers.

THE PRINCIPLES OF TAXATION: LOCAL ASSESSMENT.

Equality of taxation is the ground on which all economists and statesmen should alike take their stand. There will be difficulties of detail, and the perfect will not be attainable; but this cardinal principle must always be kept in view. If the question is one of income-tax, you must set out with the broad principle that all incomes, from whatever source derived, are alike taxable, deduction only being made of what is sufficient to support life. In England, all incomes under £150 (about \$700) are exempt; here, incomes under \$200. The former is too high, and the latter may be somewhat too low. After the amount named, all incomes, from whatever source derived, are taxed, and taxed equally—the same number of pence in the £—in England. Mill calls the proposal to tax one kind of incomes and except others, a mild kind of robbery, comparable in atrocity to a proposal to apply the sponge to the national debt. But he admits the force of the argument in favor of discriminating between different kinds of incomes, or incomes derived from different sources, for purposes of taxation. It is contended that an income derived from the personal exertions of the possessor is not of equal value with an income derived from realized property, since the former is only an annuity during life or health, while the latter survives health and life. On this ground, it is said, there ought to be a distinction made between the two classes of income, and that that which was most valuable, in not depending on the accident of health or life, should bear a larger burthen of taxation. A discrimination the other way is too monstrous to find a solitary advocate there; all the while that discrimination was in full force here.

Our assessment law has always contained a long list of exemptions. We have only to turn up the assessment law of any date, no matter what, to see what the greater part of them have been, and what they still are,