

The position of the retail business of Toronto was shown to be improving; the number of vacant stores in 1895 was 758, and this had been reduced to 316 in 1900.

The American State Assessment Commissions have condemned the personality tax.

#### ASSESSMENT OF COMPANIES OPERATING PUBLIC FRANCHISES.

When this question was introduced there was a large attendance of eminent counsel representing various corporations.

Mr. Mackelcan, on behalf of the Ontario Municipal Association, stated that the assessment of companies under the scrap-iron decision, was wrong, and that the Act should be amended to make the fair value of a franchise assessable.

Mr. Christopher Robinson, who appeared on behalf of a large number of companies, stated that the question was one of great perplexity, that a great many different methods of assessing companies were in vogue. They should pay their fair share, and with a view to allowing the companies time to agree upon a plan to be submitted for this purpose, discussion of the question on the part of the corporations was adjourned for three weeks.

Among the suggestions offered by those present were:

1. That railway land has a value and a land usage value which should be combined and assessed as real estate.
2. That the assessment of franchises should be uniform throughout the province.
3. That railway land should be assessed at same value as adjoining lands, not average value as provided in section 31 (1).
4. That personal property of Gas and Electric Companies should be assessed.

#### TAX EXEMPTIONS.

The Ontario Fraternal Association presented memorial requesting exemption of income from society funds, as in England.

The Rev. Mr. Craig favored the single tax view, that exemption of capital was beneficial to labor, that land and labor form the basis of all values, that the only exemption should be on labor which is capital, etc.

The Canadian Manufacturers' Association favors the exemption of all personality.

For the municipalities Mr. MacKelcan urged:

1. That property rented for short term by Dominion Government should not be exempt.
2. That church lands should pay tax and the buildings exempt.
3. By others it was suggested that if church lands were exempted, all unproductive property should be in same position.
4. That under section 29 of the Act, vacant lots are held at a nominal assessment for an anticipated value, and should pay same as revenue producing lands.
5. That the community makes land valuable and the individual the improvements, and that the community should only take what it makes, exempting the improvements.
6. That a tax theory is no evidence of practical effect.
7. That, with the exception of burying grounds, all lands now exempted should pay for local improvements.
8. That section 29 should be subject to change by by-law of council, same as section 30, so that the assessment of farm lands as such in cities and towns will be optional.
9. That the exemption provided for by section 39 should not be continued. That the income of a bank should be assessed.
10. The exemption of educational institutions is a continuation of the system of encouragement offered to private schools previous to the introduction of a public school system, and reasons still exist for the same.
11. That individual cases stated do not prove anything, and that Toronto ideas may be at variance with public opinion generally.

#### THE ASSESSMENT OF PERSONAL PROPERTY AND INCOME.

In considering this question it was shown that taxes on personality is paid by the consumer, that he is the least able but that the

income exemption relieves those who might be considered unable to pay. The personality tax of Toronto was shown to be 8% of the whole and if levied on the land and improvements, it would not be noticed. All admit that it is impossible to make an equitable assessment of personal property, and, as the community became richer the difficulty in this respect increased. The exemption of personality was ably supported by the representatives of the Toronto Board of Trade. In considering the income of loan companies, Samuel Blake, Q. C., suggested that a tax should be paid. That the whole of their income should be assessed in the easiest manner and at the head office. That the payment of an income-tax in each local municipality where an investment might be placed, would be better for the companies but would increase the difficulties in management and would tend to expose the location of business, which would be unfair. Mr. Fullerton, for the city of Toronto, stated that companies can only be assessed at head office for all income, that the law should be the same for an individual and a company. That the payments now made by the corporations under the Provincial Revenue Bill, were properly a franchise tax and should not in any way affect municipal taxation. It was also shown that companies having no permanent head office, escape income tax under the present law. This applies principally where the office location changes with the official who may be appointed annually, or at any time. It was also shown that a practical application of section 39 was to exempt the income of companies, the greater part of which was payable by shareholders entitled to the benefit of the income exemption. It was also shown that section 39 did not apply to telephone, telegraph, light, heat or power companies, as they were not entitled to the exemption 20, which refers to the stock held by any person in any incorporated company whose personal estate is liable to assessment. Chattel mortgages, lien notes and money are not taxed as a general rule. In England the income-tax is only imposed as an Imperial Revenue which in this country is collected in the way of customs duty. That income exemptions should not apply when an income is above a fixed amount. In reply to a statement that a tenant pays all the taxes, Mr. Hamby stated that as an owner of vacant houses this did not apply. In his recent judgment in an appeal entered by the Edinburgh Life Insurance Company against the decision of the Toronto Court of Revision, Judge McDougall decided that the income received by an agency of this company in Toronto was assessable.

#### DUTIES OF MUNICIPAL OFFICERS.

Mr. McKelcan, on behalf of the Municipal Association, urged that the date of the valuation of personal property for assessment should be fixed as late as possible, and that the assessor should amend his roll at any time before it has been returned when notified of a change in valuation, and that a time limit should be fixed for the delivery of notice by assessable party under section 47. It was shown that under the present law two years' tax on personality in some instance might have to be paid in thirteen months or one years' tax in twenty-three months. In Toronto it would be an impossibility to keep the rolls open until the 1st of October as there were in all 67,000 assessments. The attention of the Commission was directed to section 13B which does not agree with the latter part of sections 21 and 22 which requires the names of all non-residents to be entered on the roll, whether they give notice or not, and that there was some doubt as to whether the roll referred to was that mentioned in section 34 of the Act. In many municipalities it is not customary to keep a separate roll for non-resident assessments. In referring to the delivery of assessment notices it was suggested that the Assessor should have authority to deliver them the same as the clerk has for the delivery of notices to parties appealed against under section 71, subsection 11, and that the Act should provide for the delivery of notices by an assistant of the assessor. The necessity

for an amendment of the Act in reference to returns relating to arrears of taxes when the assessment is completed by the 1st of October was pointed out. The present Act does not make provisions for the other dates than when the assessment is to be completed by the 1st of April. As a result arrears to be entered on the Collector's Roll against lands returned as occupied are not put on until the next year. It also shows that it should not be compulsory for a collector to levy on the personal property for taxes but that he should have the option of returning them against the lands. In connection with the purchase of lands by municipalities at tax sales it was suggested that they should have the right to hold it for more than seven years, and that after two years they should have the right to use it for municipal purposes. That if a tax sale is declared void, the owner should not have the right to get his land back unless all the taxes in arrear have been paid. In discussing the sections of the Act relating to arrears of taxes it was pointed out that the three years' delay before proceedings can be taken for sale was all right, but that section 171, which authorizes the county treasurer to issue a warrant when there is distress upon the land of non-residents, should apply to the land of residents. Section 211 which continues the provisions of the statute passed in the thirty-second year of the reign of King Henry VIII, was thought to be unnecessary. It was also suggested that it would be advisable that treasurers should be allowed to act as collectors.

#### LOCAL IMPROVEMENTS.

This question was introduced by Dr. Barwick, on behalf of the Toronto Ratepayers' Association, who stated that the small owners pay the greater share of the local improvements, but should not be required to pay a greater proportion than others. And that in deciding the class of improvements to be made, the councils should have full power, and that a tax should be levied on horses and vehicles, and that each ward of the city should be entitled to a share of the fund equal to their percentage of the total taxation of the year. This Association favors the paying for all improvements by a general rate, a maximum to be fixed by legislation. It was also shown that under this system bad roads are often found where good ones should be. That improvements are not always made in large enough sections which increases the cost. The value of the property improved was thought to be an element that should be considered in determining benefit. It was shown that on some improvements the value of property paying on one-hundred feet was more than the value of property paying on one-mile of frontage, and that if this was to be considered the property owners should not have the option of doing the work opposite their own premises. An instance of injustice was referred to in the case of small property renting for \$25 month on which local improvement tax was \$20 a month for ten years. In case of a land boom it was shown that where local improvements are constructed to a considerable extent that a municipality is apt to assume too great a debt liability and that when land values decrease, many of the vacant properties are not worth the taxes which have to be paid by the ratepayers generally. Mr. McKelcan, on behalf of the Ontario Municipal Association, approved of the provisions of the Local Improvements section, if properly applied. Local improvement by-laws are often quashed and as a result municipalities are sometimes required to pay large sums out of the general funds. It was thought that under no condition should this be allowed. No objection was taken to the statement that local improvements increased the value of property, and that under the system more good roads were constructed than ever before. It was thought that petitions for local improvements works should be witnessed and all signatures verified by affidavit, and that where it was necessary to expropriate property for the purpose of the work, the compensation to be paid should be determined before the work is undertaken. The meaning of the words "real property" in the sixth line of section 668 of the Municipal Act was shown to be different in some municipalities, and that the words "real property" should be defined to include land and buildings. Some of the evils of the local improvement system were attributed to the efforts of contractors who canvass streets in the interests of a certain class of work and give rebates to some owners for assistance in promoting petitions.

The Manufacturers' Association, of Ontario, presented their views, on the last day of the session, as follows:

1. Abolish tax on personality.
2. Substitute a tax on rental values.
3. The bonus legislation of last session favors small municipalities. In large cities, it is impossible to get two-thirds of the people to vote.
4. That two-thirds of the votes cast should be sufficient.
5. That the tax-law should be equitable and place all business men in a favorable position, compared with other provinces.

The main competition in Ontario is not with those paying under same system of taxation.

Mr. Thomas H. Wright, who, for 27 years prior to 1890, was treasurer of the county of Essex, died recently in Windsor.