

ing the consideration of your Honourable Body so far as the same specially affect manufacturers.

As was to be expected, there is considerable divergence of opinion on some of the points involved. The Association, however, presents in this memorial only the points on which there is substantial unanimity among its members.

It will be understood that the views presented are not those of men having any favorite theory to advance or advocate, but are the views of an Association, the prosperity of whose members is dependent on the progress of the Province, and whose interests are therefore best served by an equitable and simple system of assessment and taxation.

1. In the first place it is practically the unanimous expression of manufacturers that the present system of assessment of personality is unfair and unjust, and that its enforcement would be destructive to the industries of the Province.

Your Honourable Body has been addressed by so many other interests on this point, that the Association deems it unnecessary to go into the arguments in detail, contenting itself with giving its full endorsement to the views on this subject already presented from other quarters, and adding a few considerations growing out of the practical experience of its members.

The theory of the present law apparently is that all capital invested in manufacturing should for municipal purposes be taxed, and taxed not like many other investments on its income or profits, but on the principal. This would mean, speaking roughly, that those using their capital in manufacturing must pay a municipal tax equal to two per cent. thereof each year. Manufacturing business in this Province could not possibly bear such a burden, and the enforcement of such a law would drive outside the limits of the Province such factories as could be moved, and would absolutely extinguish a large proportion of those remaining.

Industrial progress has been possible only by the connivance of municipal officials in the systematic violation of the law. Such a state of things lowers public morality, puts a premium on dishonesty and favoritism, and clothes municipal officials with a discretion, and imposes on them a responsibility never intended by the law, and which cannot be justified on any sound principle. This state of things is specially injurious to manufacturing interests, because it discourages the investment of capital in such enterprise where the toll to be taken for municipal purposes in effect depends upon the individual opinion—possibly upon the caprice—of the person occupying for the time being the position of assessor of the municipality; and because in most lines the manufacturer has to compete with goods produced outside the Province by concerns who not only contribute practically nothing to municipal taxation in Ontario, but who are for the most part entirely free from any taxation of personality where the manufacturing is done.

2. Should it be the view of your Honourable Body that municipal requirements in this Province are such as to necessitate additional source of taxation besides real estate, the Association submits that a business tax based upon rental values as determined by assessment is in every way preferable to the existing system. It could not be evaded; admits of no falsification or fraud, and involves no inquisitorial inquiry into the affairs of any business concern.

Such a tax, if imposed, should in the view of the Association be obligatory on all municipalities so as to secure uniformity.

It has sometimes been urged that such a tax would bear more heavily on the retailer than on the manufacturer or wholesaler. That is a detail which might require consideration on the part of those who frame a new law; but it is to be observed that the competition of the retailer comes for the most