

The Assessment Commission.

In accordance with the Notice of postponement the meetings of the Assessment Commission were commenced at the Parliament Buildings, Toronto, on Tuesday, November 13th. Mr. Justice MacLennan occupied the chair, with all the members present with the exception of Mr. Butler. The Ontario Municipal Association was represented before the commission by Mr. McKelcan, City Solicitor, Hamilton. There has been a good attendance of business men and others interested in questions relating to assessment and taxation.

ASSESSMENT OF REAL PROPERTY.

Mr. W. A. Douglas commenced the proceedings by stating the position of the Single Tax Association which favors the taxation of land values only. For the Municipal Association, it is urged that taxation for municipal conveniences such as police, fire, water and light should be voluntary and, according to benefit and that land and buildings should contribute to the full measure of their fair value which, by others, was referred to as "What a man will take for his property, or a fair value to the owner."

Deputations of owners of farm lands in towns were present from Mitchell, Beeton and Tottenham and stated that, although under the Act they were assessed at same as adjoining farm lands, the tax rates were too high as compared with the township tax, and that, as farmers, they do not receive the same benefit from the municipal conveniences. In these statements, no reference was made to the school-tax which all appear to be satisfied to pay.

The amendments suggested were:

1. That section 28 of the Act should be done away with.  
2. A fair value would be the proper basis of assessment.

3. That section 29 should be repealed. It was shown that this section and section 30 is ignored by section 71, sub-section 15, which contains instructions to the Court of Revision.

The difficulties that arise when a collector endeavors to levy by distress on personal property were pointed out, and that, while it was the intention of the legislature, in section 149, to give the municipalities a higher claim than that of a mortgagee, that the effect of the decision in *Caston v. Toronto* practically does away with this section, which states that taxes are to be a lien upon the land. It was suggested that the municipality should have the same claim for taxes on land as the first mortgagee, and that the section should be amended by adding the following words: "and such lien shall not be lost or impaired by any neglect or error of any officer of the corporation and may be enforced by action at law." The latter clause was made necessary by the decision in *Carson vs. Beach*, which, in effect, decides that the collector cannot sue for taxes.

The irregularities of tax collectors' returns was referred to as requiring special consideration; that it should be made compulsory to have all returns made by a fixed date. It was also suggested that if taxes are made a first lien they could be paid by a mortgagee in the same manner as insurance rates now are. The practical application of the present law often results in a total loss of taxes to the municipality. Mr. Pardo, Provincial Librarian, referred to the values of lands sold under mortgage, and for taxes as a basis for determining the proper value for assessment. He also stated the position of summer cottage owners in Muskoka, who, on large islands, were required to pay statute labor rates where there are no roads; that in assessing property of this kind they should receive consideration for vacancy, and that they should not be required to pay school-tax. It was also suggested that section 179 should be amended by adding the words "in the Ontario Gazette."

Mr. Proctor, chairman of the Toronto Board of Revision, suggested, in reference to the proposed amendment of section 128, that in practice the word "solvent" changes to "insolv-

ent," and that to change the section so that real property may be assessed at its "value" would be sufficient.

The assessment of water lot property was considered by Mr. Freeland, who stated that they did not receive benefit from streets and pavements, but are required to pay an additional tax in the way of harbor tolls, etc., and that when navigation was closed they were unable to do business. In reply to this, it was shown that water lot improvements increase the use of streets in their neighborhood, as large quantities of freight were received and distributed in all seasons of navigation.

ASSESSMENT OF MERCHANTS' STOCKS AND CORPORATIONS.

In introducing this phase of the question, it was suggested: 1st. That all personal property should be assessed at a fair value, the same as real estate.

2nd. That a merchant should not be entitled to exemption from assessment of the amount he may owe on his stock.

3rd. That he receives the same benefit from municipal conveniences, and that his liability may be for a short date, or only while the assessor is preparing his roll.

4th. That book debts, notes, etc., receive no benefit from municipal expenditure, and should not be assessed.

5th. That the expense of fire protection is principally for the benefit of the business interests of the city.

6th. That a dishonest trader may take advantage of the present Act and escape taxation on personality.

7th. That men who are otherwise honest, make unfair statements for assessment purposes. This is sometimes very much in evidence when the estates of deceased persons are shown up for probate purposes.

An amendment to section 39 was suggested so that the real property of companies will be assessed. That sub-section 2 should be repealed except as to banks. It was shown that book debts, which are assessable as personality, are often transferred to banks for advances, and as a result no large amount of debts is assessable.

It was also shown that section 47 should be amended by providing the limit of time during which particulars respecting assessable property are to be furnished to the assessor.

President Kemp, of the Toronto Board of Trade, stated that, although property may be in the municipality, it may not be under obligations to the city for fire or police protection, that some of the larger institutions provided their own. That he believed that a general equalization of assessment was necessary; that the Montreal system did much to induce the investment of capital in that city, and that concessions were asked for from the Ontario municipality as a result. Winnipeg has adopted a tax levy somewhat similar to that of Montreal, and large wholesale warehouses are being erected.

Mr. Caldwell, another member of the Board of Trade, urged that the taxation should be based on an exchange of values; that personal property should not be taxed, but that direct importation was increasing owing to the system of taxation in Ontario. That dry good stocks cannot be assessed properly except by a merchant and his assistants, at a considerable time and expense; that the personality tax, if imposed, would drive out capital, and it is impossible to enforce it; that an effort to do this was the cause of the fall of the Roman Empire.

Mr. Brock, who has a similar interest in Montreal and Toronto, stated that his tax in Montreal was \$580, and in Toronto \$3,500; that the Montreal tax included all his personality, and that if a tax was placed on his personality in Toronto he would have to move to Montreal, and that the Ontario law should encourage conditions allowing competition.

By others it was urged that the present Ontario system is similar to that in vogue in England six hundred years ago, and that at present it is the only British colony continuing it. The rapid progress of New Zealand and Australia was referred to in support of the

abolition of tax on personality. It was also shown that three per cent., as a business tax, would, in Toronto, realize more than the present tax on personality.

Mr. Cockshutt, of Brantford, compared the tax of a merchant with \$20,000 stock and an income of \$2,000 annually with that of a professional man with a similar income, showing that the professional man might have the advantage to the extent of \$360, under the present law.

The Retail Merchants' Association was well represented, and in introducing their side of the question, stated that they were to a great extent the cause of the appointment of the commission. That personality tax should be according to benefit received or ability to pay; that a special tax should be levied on commercial agents from foreign countries, and that a 5% business tax on rental values should be levied; that an additional license should be imposed where a merchant engages in more than one business on the same premises, and that if the proprietor of a departmental store wants to do all the business, he should pay all the taxes. In reply to the suggestion that a business tax should be made compulsory, it was stated that the effect would be to relieve the large business houses and burden the smaller institutions.

In support of the departmental side of the question, a representative of the Simpson Company said there was nothing in the Departmental Store business calling for special taxation, and that the legislature will not curtail business enterprise in any way; that the proper term for a business of this kind was "a federation of stores;" that they are not a trust, and that a careful and economical administration is the cause of their success; that consumers receive a benefit to the extent of one-half the ordinary retail profit; that, as a result, their sales are larger, and greater production is necessary; that the effect on the retail business is more than off-set by the benefit to the public at large. It was also stated, on behalf of the Retail Association, that the effort of the Departmental stores was to secure a monopoly of distribution, and that their system of advertising and of doing business was the cause of unfair competition. The effect of the Departmental store on the business of the Province was also referred to.

In a general way, it was urged by Mr. Campbell, who was formerly a member of the firm of John McDonald & Co., that municipal taxation should be levied in proportion to ability to pay; that it should be uniform and equal on all kinds of property, and should be fixed on what is tangible or in sight. It was also shown that the Departmental store side of the question only affects the larger towns, and that any law suggested should be optional, to be enforced by the municipal authority. Mr. Grant, assessment commissioner, of London, suggested that the tax system should be one that is easily understood, and easily followed, and that an assessor should not be called upon to assume responsibility, as is now required, in the valuation of personality.

In reply to the retail dealers' arguments, Mr. Douglas directed attention to the fact that the railways had destroyed the stage business; that the electric railways had taken the place of the cabs; that the departmental stores were effecting the retail business in a similar manner; that the general real estate collapse had caused depression, and a general cry against the large stores; that the Departmental stores had the advantage by location, and that where they were situated the land had an enormous value; that the bargains there were taken advantage of by the poorer class, who benefitted thereby.

The general opinion seemed to be that the question of competition with the other Provinces must be considered in the question of taxation, so that there will be no discrimination in their favor, and that the application of capital and business ability to real estate so increased its value that if taxed on that basis, exemption of all assessment on personality would not be noticed.