

ONTARIO ASSESSMENTS OPEN TO CHANGE

Special Committee of Legislature Hears Views on Exemptions, Business Assessment and Other Points

Several proposed amendments to the assessment law of Ontario were outlined by deputations to the Special Assessment Committee of the Legislature, which was appointed at the last session to revise the act, and which met for the first time on the 17th December. The provincial secretary, Hon. W. D. McPherson, presided.

Sir William Hearst told the members that officials of the government had studied the acts of the other provinces since the last session. "The conclusion reached by those conducting the investigation is that in the main not many important changes are required at the present time; that on the whole our Assessment Act is as good as any, and that its weaknesses are rather in the carrying out of its provisions," said the prime minister. The entrance of the Federal government into the field of direct taxation, he said, had to be taken into consideration. A conference had been suggested by the Dominion government to consider the general question of direct taxation, to see if overlapping could be eliminated.

Assessment Commissioner Forman, of Toronto, representing, besides the city, the Ontario Municipal Association, presented a number of suggestions, asking for amendments to permit of tax notices being sent by mail instead of being delivered in person, to make it compulsory for every person assessed to make a return under oath, and to provide that lands may be sold to pay tax arrears after the non-payment for two years, instead of three, as at present.

Taxes on Private Schools.

A proposal of Mr. Forman's that the exemption at present granted to private schools, hospitals and colleges be canceled, caused much discussion. Much of the work in the private schools, he said, was undertaken as a business proposition. In 1918 in Toronto the assessment of such institutions which were exempt was \$2,500,000. The Toronto Conservatory of Music was assessed at \$180,796, and at the rate of 30 mills the tax would have been \$5,424. He suggested that if this amount of taxes were divided among the 3,400 pupils it would only mean an increase of \$1.60 in tuition fees. The assessment of the Academy of Music was \$43,500, of Havergal College \$258,976, of Moulton College \$90,750, of St. Margaret's College \$72,938, and of Branksome Hall \$69,000. While he was against exempting such institutions, he suggested that if the government thought such colleges should be free from taxation that the government could grant them a nominal amount. If the municipality felt such institutions should be exempt, it, too, could grant them a nominal amount.

Dr. A. S. Vogt, of the Conservatory of Music, said that if the exemption of that institution were cancelled they would have to discontinue musical education. While two per cent. was paid, this was as interest on money invested and not as dividends.

Mr. J. A. Pinard (Ottawa) thought that Toronto must be hard up to want to tax such institutions. Ottawa would be glad to make grants to them if they were located there.

Various Suggestions

Representations were made on behalf of both Woodstock and Brantford to have the act amended so as to enable municipalities to make the assessment on income tax collectable the same year. Now, it was said, the municipalities lose much money because income tax is not collectable until the year after the assessment is made. Representatives of the railway men in Ontario also asked that the exemption of personal income be raised to \$2,000 for householders and to \$1,500 for non-householders.

Mr. J. C. Elliott (West Middlesex) wanted an amendment to permit local municipalities in a county to hold their own tax sales instead of leaving it to the County Treasurer.

Mr. Forman also asked for an amendment to permit the assessing of dividends of shareholders in incorporated companies derived from mercantile and manufacturing establishments.

Mr. Doherty, city solicitor of St. Thomas, and Mr. J. S. Robertson, representing the village of Port Stanley, appeared in support of an amendment providing that the clause in the statute exempting from taxation property owned by a public commission should not apply to an electric railway. Sir Adam Beck, Chairman of the Hydro-Electric Power Commission of Ontario, and Mr. T. G. Meredith, city solicitor for London, opposed the amendment.

Mr. Robertson said that Port Stanley lost 10 per cent. of its rightful taxes by the exemption which the London and Port Stanley Railway enjoyed in that village.

The prime minister pointed out that an amendment passed at the last session made the land owned by the railway assessable.

Sir Adam Beck declared that the land in Port Stanley had doubled in value since the railway had been electrified and taken over by the city. "I have always been opposed to non-assessable properties," said Sir Adam. "I think all land should be assessed." Eighty thousand dollars had been spent by the railway at Port Stanley.

The Business Assessment

After both lengthy morning and afternoon sessions on the 18th, the committee adjourned to some future date, probably after the legislature meets. At the morning session representatives of the wholesale trade complained of the present business assessment, which they claimed was unjust. Wholesalers at the present time pay business taxes upon an assessment equal to 75 per cent. of their property assessment, whereas they pointed out manufacturers only pay 60 per cent., departmental stores 50 per cent. and retailers 25 per cent. in places like Toronto. This tax was much higher than that imposed by the governments in Montreal and Winnipeg, and it placed a handicap on the Toronto dealers in competing with wholesalers of the two other cities.

Mr. Hugh Blain, of Eby-Blain, Ltd., and Mr. John Macdonald, of John Macdonald & Co., of Toronto, and Mr. Beckett, representing the Hamilton wholesalers, expressed the views of the firms interested. They wanted the Ontario business tax changed to a rental basis, as in Montreal, but when the prime minister remarked that the committee would not consider any such radical change in the form of the assessment, it was urged that the existing assessment percentage be materially reduced. Mr. Macdonald thought that an assessment of 25 to 33 per cent. of the property assessment would be large enough.

Assessment Commissioner Forman, of Toronto, representing the Ontario Municipal Association, opposed the request. He pointed out that the higher rate for wholesale businesses, as compared with retail establishments, was that the latter did business in locations that loaded upon them very much higher assessments for land occupied, and that despite the higher rate the wholesalers were probably not paying any more in business taxes than retailers. In the case of the manufacturers, it had been apparently intended to give them special consideration to encourage industry.

Mail Order Houses

It was evident from the trend of discussion in committee that when the next meeting takes place there will be an effort made to protect the mercantile interests of the small centres against the large departmental stores. The Opposition Leader, Mr. Wm. Proudfoot, K.C., raised the question in asking the wholesalers for their opinion. Without exception they agreed that the mail order businesses of the big departmental stores were driving the small merchants in the country towns out of business. The wholesalers based their objection on the fact that the postal service by operating the parcels post at a loss, and paying for it out of the carrying of letters, was giving the departmental stores with mail order branches an unfair advantage.