ASSESSMENT ACT AMENDMENTS

Lucid Explanation of Changes Rendered to the Legislature by Hon. W. J. Bowser as Finance Minister

MARKED REDUCTIONS IN RATES OF TAXATION

Second Reading Given Bill Providing for Medical Inspection of Schools—Railway Bills Advanced

An excellent, clean-cut, business-like and practical speech was made by Finance Minister Bowser in moving in the Legislature yesterday the second reading of the bill to amend the Assessment Act, the Government's proposals in redemption of the promise of taxation reductions during the current year being elaborated and explained in much the same manner as (thanks to Mr. Bowser) the "Colonist" was able to outline them in its report of the proceedings of parliament appearing in Tuesday's issue.

The Minister referred to the fortunate position in which any Government and any Finance Minister were placed when they were enabled by existing conditions to bring down legislation providing for taxation reductions, than which nothing could be more generally popular in legislation. The country was to be congratulated upon the prevailing general prosperity which made the present proposals possible; the members were fortunate in being able to participate in giving effect to such proposals in the public advantage; and the Premier was fortunate in finding conditions such under his administration that he was able to make such a promise to the electorate as he had in respect to taxation reduction—and so quickly redeem that promise, as well as many others. The reductions in this instance meant much to the people of British Columbia.

Under the bill offered for second reading, it was intended to reduce both real and personal property property taxes from three-fifths to one-half of one per cent, it being also intended so far as personality was affected, to increase the exemption on farm properties from $500 to $1,000. This meant that the ordinary farmer, the small farmer at least, would be required to pay nothing—or next to nothing—toward the upkeep of the country. The entire produce of the farm was at present exempt from taxation; so were the book depts of the farmer, and his money in bank. Within the Dominion railway belt, the homesteader was entitled to total exemption from taxation for his first two years. All pre-emptors taking up provincial lands were similarly exempt for the first two years. And both homesteader and pre-emptor were further exempt after the first two years and for a further period of four years, up to the amount of $500. It was seldom that homesteader or pre-emptor applied for his Crown grants within six years, so that those who took up homesteads on Dominion lands or pre-emptions on Provincial, were relieved of practically all taxation during six years for the last four years of this period up to $500 under the act as existing, and up to $1,000 under the law as it was now proposed to amend it. He thought all would agree that the farmer was thus most favorably situated, and could have no reasonable complaint as to the treatment extended to him.

In considering the reductions in taxation contemplated, it would no doubt be pointed out, as an argument that the Government should have gone even further, that the Province at present enjoyed the advantage or having a very satisfactory balance to credit with its bankers. This was quite true, but it should not be lost sight of that a very large part of this credit balance had been created by the sale of Crown lands and timber, both natural assets of the Province, and should not in consequence be looked upon as general revenue originating in the ordinary course of the business of the Province. It was rather to be looked upon as drawn from the capital of the country in the form of its natural resources. Nor should it be forgotten that British Columbia is an expensive province to keep up; its development had latterly been rapid and the outlook presaged even more rapid expansion and development in the years to come. For these reasons it should not be urged that there should be any disproportionate reductions in taxation.

Sketches the Progress.

The Minister did not propose to go at any length into the financial conditions of the Province when Premier McBride took hold of its affairs in 1903. It was quite sufficient to state that the financial conditions when were such as to demand increased taxation in order to save the country's credit and put its affairs on a stable footing. In 1905 the then Finance Minister, Captain Tatlow, was happily in a position to reduce taxation, and now a further step in reduction was made possible by conditions. The Minister hoped that in the near future, with a continuation and augmentation of present prosperity, still further reductions would be possible. If the prosperity continued which British Columbia had thus far enjoyed since Mr. McBride had taken hold of its affairs, such further reductions in taxation would become possible at no very distant date; neither the House nor the country could reasonably expect to reach what might be termed the millennium of taxation at a single stride. At the present time it was possible for British Columbia to go further than several other provinces of the Dominion, although some of these, it was true, did not tax income, while others had no poll tax; yet the taxation in this province in certain classes was lower than that of other provinces. Under the present legislation the taxation would be found lower than it had ever been in the history of the province. (Applause.) He thought that this was certainly matter for congratulation for the entire province.

Proceeding to an explanation of the bill, Hon. Mr. Bowser briefly analyzed its contents along much the same lines as indicated in Tuesday morning's issue of this paper. Under existing statute law every man's income up to $1,000 was exempt; it was not proposed to increase the exemption. Income was divided into five classes. The first class covered incomes not exceeding $2,000, at which maximum $1,000 would represent the taxable income—the total income less the statutory exemption. This income would be subject to taxation at the rate of one per cent instead of at the present rate of 1½ per cent, or a reduction in the rate of ½ per cent. On incomes not exceeding $3,000—which would leave a taxable income of $2,000—the new rate was to be 1¼ per cent, as against an old rate of 1¾ per cent, or a reduction at the rate of ½ per cent; on incomes up to $4,000, the new rate would be 1½ per cent, in contrast with the old rate of 2 per cent, again a reduction at the rate of ½ per cent. On incomes of more than $4,000 and not exceeding $7,000, the taxation rate decreased from 3 per cent to 2 per cent, or at the rate of 1 per cent; while on incomes exceeding $7,000, the old rate of 4 per cent was made 2½ per cent, a reduction of 1½ per cent.

The Effect

To illustrate: If a person were in receipt of an income of $100 a month, which would represent the majority of income earners, he would pay taxes only upon the $200 remaining after deduction of the $1,000 exemption provided for. Under the amended rate this taxation would be at 2 per cent, or $2, with a secondary reduction of 10 per cent for prompt payment, 20 cents, making the total contribution to revenue required of the taxpayer, $1.80. This was the net call upon the person taxable as his contribution to the upkeep of the country, in addition of course to the poll tax. What did he receive for this $1.80 per annum? He had the advantage of living in a country enjoying the superlative advantages of the present wise and progressive government. (Laughter and applause.) He had the advantage of the protection of its laws; of one of the best educational systems anywhere. It had been suggested that the government should deal at this juncture with the poll tax, which goes into the consolidated revenues of the province, but is very largely required to meet the heavy expenses of the educational establishment. The poll tax was admittedly an unpopular and an objectionable impost. Many persons would like to see it abolished, none more than the government if it were possible and expedient. But this tax was peculiarly adapted to meet certain conditions presenting themselves in a marked degree in this province. Not only were there many foreigners resident in British Columbia who but for this tax would make no contribution toward the maintenance of provincial institutions while enjoying their advantages, but there was also a large floating population which otherwise could not be reached by any agency of taxation, which should rightly bear its share of the public burden. In this view of the matter all fair-minded people would be agreed. If it were not for the poll tax, too, there could be no taxation of the alien population—the Chinese, Japanese and Hindus in British Columbia.

It had been suggested that the province might exempt from payment of poll tax all who were voters, which would thus enable the tax collector still to reach the Japanese and Chinese residents. It was estimated that the Asiatic population of the province consisted of 10,000 Chinese, 6,000 Japanese, and 3,000 Hindus, or 19,000 in all. Of these, probably forty per cent would be exempt from taxation—women and children, minors—which would reduce the taxable Asiatic population to about 11,400. From this total it would be necessary to deduct say fifteen per cent for those who could not be got at, leaving 9,690 to contribute at the $3 per capita. There was also the collection cost to be considered, which could not be set down at less than ten per cent, which would leave the net proceeds of the taxation suggested $26,163—not sufficient to justify the attempt to collect it. He hoped the time would come, and during the present administration of the affairs of he province, when it might be possible to do away with the poll tax, but at present it constituted too important an item of provincial revenue (upwards of $200,000 per annum) to give to the country, especially when by so doing the province would relinquish its only method of reaching the large floating and alien population.

Income Tax

Reverting to the income taxing provisions of the bill, Hon. Mr. Bowser said that it would probably be suggested that the reductions were largest in the case of those who were in the best position to pay—that he reductions were disproportionate and in the direction of favoritism to the recipiens of the larger classes of income. The scale had, however, been carefully worked out, and if members would take the trouble to calculate examples they would find that the reductions were upon an absolutely equitable reduction basis. As to the decreased revenue to the province which would be entailed through the contemplated reductions, it would amount in the real property tax to about $85,000; in the personalty tax to approximately $30,000; in income tax to $35,000; and in the extended exemption of farmers' personalty to $5,000, or a total of approximately $156,000. This loss to the treasury of $155,000 might be otherwise referred to as a gift or saving to the taxpayers of $155,000 during the ensuing fiscal year. The discount plan of equalizing the taxation under the rolls already completed with the scale provided under the new law, so that the reduction might be enjoyed during the current year, was fully explained, it being further pointed out how this will redeem the ante-election promise of the Premier to the people in this particular connection, the First Minister having said that if it could possibly be arranged, the taxpayers of British Columbia would be afforded the benefit of the contemplated reductions during the present year.

The sections of the bill referring to the taxation of banks, the rearrangement of taxation of crown-granted mineral claims in the E. & N. railway belt, etc., were next elucidated, it being explained how in the railway belt the prospector is required to purchase his surface rights before he may secure his crown grant—this differing from the practice elsewhere in the province to the disadvantage of the island prospector. It was to equalize matters that the change is contemplated, making taxation uniform upon personality at 1-2 of 1 per cent. Uncrown-granted mineral claims will of course continue as before, so far as taxation is concerned.

Criticism had been offered a few days ago by the member for Ladysmith, that uniformity was lacking in the assessment system. This the department and the government were doing their utmost to overcome. It was difficult to secure absolutely uniform assessments unless all the work were done by one man, which was humanly impossible. The policy had thus been adopted of calling in all the assessors for consultation when possible, and comparison of notes and conference with the surveyor of taxes. It was hoped to extend this conference plan in future, and possibly make the gathering of assessors annually. Thus gradually the difficulties pointed out by the member for Ladysmith would be overcome and uniformity secured for assessments throughout the province. He was extremely glad that the government found itself in a position to keep faith to the letter with the electorate, which had been promised reductions of taxation during 1910. He thought the people would be well satisfied—at least all fair-minded men would—in receiving the magnificent sum of $155,000 as money saved upon what they had paid in taxes during last year. (Applause.)

Mr. Williams (Soc.), Newcastle, was the first member heard from in criticism of the bill. He remarked that the finance minister had perhaps demonstrated to his own satisfaction that the reductions in income tax were equitable, but he (Mr. Williams) could not see it. It seemed to him that as usual, the fellow with the larger income was favored, and the man of smaller income disproportionately penalized. It was a difficult thing to get at the matter of the larger incomes. The assessor, hat in hand, approached the taxpayer of large means apologetically, and took his word for it. He (the member for Newcastle) was scarcely familiar as yet with such conditions on this side of the line, but he knew that it was the general opinion of people in the United States that more people go to a warmer climate than that of British Columbia for perjuries in evasion of the income tax than for all other forms of perjury in the aggregate. He held that it was a much simpler and surer process to ascertain the income of the small income earner, whose employer would be found ready to assist the assessor. The finance minister had claimed that the taxation had been placed on an equitable basis; if so he held that it could not previously have been equitable, and that this being so the government was entitled to censure. The poll tax was in every way objectionable in his mind—it even was out of consonance with the rudiments of capitalistic political economy. The man who only pays poll tax, said he, has usually been already skinned so close that he has nothing else left for him. If there was to be a poll tax he thought that it should be collected from non-British residents. The house had been told that the poll tax was applied to the purposes of education. This he denied; the poll tax went into consolidated revenue, and there was no sorting it out.

Mr. Hawthornthwaite moved the adjournment of the debate.

Medical Inspection

In the committee consideration of the bill to provide for medical inspections in public schools.

Mr. Hawthornthwaite vigorously protested against any opportunity being afforded for inspections being made by others than regularly qualified members of the medical profession.

Hon. Dr. Young, replying, directed attention to the remarkable volte-face of the member for Nanaimo, who at the second reading stage had protested volubly against the possibility of advantage being gained by a medical combine, and now appeared as a strenuous advocate of monopolistic privileges for that same profession. He assuer Mr. Hawthornthwaite that there was no thought or intention of having inspections by others than medical practitioners, Health officers, and occasionally perhaps trained nurses, would have in certain cases other functions to perform, and it was to provide for such contingencies that the bill had been drawn as the house received it. He saw no necessity for any change in this regard.

Mr. Hawthornthwaite also urged again the fixing of a scale of fees beyond which "the family doctor" might not go when called in to perform the inspection, by the parents' request.

Considerable criticism and cross-fire marked the committee stage, but the favorable general view of the opposition was indicated in a remark by Mr. Williams that, while amendments might be offered in the hope of improving the bill, it was when all was said and done "one of the best pieces of legislation yet originated by the Conservative party in this province of Canada."

The committee rose with a progress report.

Early in the day, Mr. Hayward as a matter of privilege elaborated his remarks of the previous day as to school matters. He had not intended, he said, to refer to the pupils of the rural schools suffering through the incompetency of teachers, but through the changing about of teachers, for their financial betterment.

Included in the routine procedure of the session, petitions were presented by Mr. Tisdall for the incorporation of the British Columbia and Alaska Railway company, and from the Howe Sound, Pemberton Meadows, and Northern Railway company, opposing the proposed incorporation of the British Columbia and Alaska Railway company, which contemplates construction of a road from Lillooet to Fort George. A petition was also presented by Mr. Miller for the incorporation of the Grand Forks Fire and Stock Insurance company. The petitions were received of the City of Victoria, in respect to implementing its agreement with the British Columbia Electric Railway company; and of John Goodfellow, opposing the incorporation of the Campbell River Power company, which latter reads in substance as follows:

"The petition of John Goodfellow, of the City of Victoria, in the Province of British Columbia, railway superintendent, humbly showeth:

"1. That your petitioner holds a lease of certain mining property situate on Campbell river, in the Province of British Columbia; and there is now pending before the Water Commissioner of the Province of British Columbia an application by your petitioner for 5,000 inches of water to be taken from the said Campbell river, and to be used for mining purposes;

"2. That there is also pending before the said Water Commissioner an application by the Campbell River Power Company Limited for 100,000 inches of water, to be taken from the said river and used for the development of power;

"3. That it has been ascertained by the government of the Province of British Columbia that at the present time there are not 100,000 inches of water in the said Campbell river.

"4. That the said Campbell River Power Company Limited have not as yet obtained their water record; nor have they applied for or obtained a certificate of approval of their proposed works, as provided by the terms of the Water Act;

"5. That the Campbell River Power Company Limited are applying to your Honorable Body at the present session of the house for a private bill confirming their alleged water record and certificate of approval, and other purposes;

"6. That if the bill contemplated by the said Campbell River Power Company Limited, is passed by your Honorable Body, it will work great hardship on your petitioner in the development of his mining property;

"7. Your petitioner, therefore, prays that your Honorable Body will be pleased to refuse the powers asked for by the Campbell River Power Company Limited."

The Notaries Appointment bill received third reading, and passed.

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COURTS FOR JUVENIL

Attorney-General Introdu Measures to Enable Unifo Action to Be Taken by Cit of Province

PRESIDENT OF COUNCIL ON THE TAX REDUCTIO

Hon. F. L. Carter-Cotton Hea Upon the Bill Amending Assessment Act—Criticis of Measure by Oppositio

The further consideration of Assessment Act, upon the motion second reading of this tax-reducti measure, and the presentation by H Mr. Bowser of the bill to introduce Juvenile Courts of the Dominion w uniform applicability throughout Br ish Columbia, resulted in Fri witnessing one of the most interesti sittings of the present legislature, debate upon the Assessment Act's pr visions being joined in with great fo and lucidity by the President of Council, Hon. Mr. Carter-Cotton, wh Hon. Mr. Bowser in his capacity of A torney General gave the House a va amount of highly interesting and i structive information in offering legi lation that is in keeping with the spi it of the age and in the direction preventing rather than punishi criminality.

In respect to this measure the Hou was happily in complete agreemen and the second reading passed unan mously, Mr. Hawthornthwaite court ously remarking.

"On this question at least there no desire on this side to divide th House."

During the afternoon the bills fo the appointment of the University Si Selection Commission and for amend ment of the Children's Aid Act we discharged from the orders by reques of the Minister in charge, it being th intention to reintroduce them by Me sage early in the new week.

Assessment Act Amendments.

Mr. Hawthornthwaite, resuming th consideration of the motion for sec ond reading of the bill to amend th Assessment Act, embraced, he ex plained, the first opportunity to con gratulate the Conservative part upon the selection that had been mad of a new financier to guide the des tinies of the Province in this import ant department of the public service. The Attorney-General as a Minister o Finance had already proven himself from the standpoint of his party course— a huge success. As an At torney-General that gentleman ha been of immense service to his party they were indeed indebted to him more especially in connection with hi handling of the recent election cam paign. It was but a short time sinc there had been in the House a differ ent head of the Finance Department in the person of Captain Tatlow, gentleman concerning whom he (Mr Hawthornthwaite), while appreciatin his ability, must say that he coul not in the majority of cases see ey to eye with him. When that gentle man had resigned his office—when i was heard that he had resigned hi office, something very like a sigh o relief had gone up not only on this side of the House, but throughout the Province. The late Finance Ministe in his administration of the taxatio affairs of the country had seemingly seen it as his duty to especially de vote his attentions to the small farm er, whom he harassed in a variety o ways in order to swell the surplus t which he pointed with such self-con scious pride. The relief experienced upon Captain Tatlow's resignation was checked, however, when it had been learned who was to be his suc cessor. In view of the promises given of taxation reductions, the Province had looked with much curious expec tancy for the bill that the new Finance Minister would bring down. This bil was now before the House. He had read it through carefully and had listened to the explanations given by the Minister with a feeling of keen disappointment—even of sadness. It had been said that this bill would bring relief from the heavy burden of taxation generally complained of, and more especially that it would re lieve that class upon which the inci dence of taxation pressed most heavily.

Criticises Bill.

When the late Finance Minister of Finance had in 1905 presented his small measure of taxation reduction, the then Leader of the Opposition had characterized the bill as a gold brick that the Minister had handed to the country. He would not go so far as the late Opposition leader in his crude condemnation, but would merely say that in this present bill the Finance Minister had handed the farmers and workers of the country a lemon. The bill so far as he could see would not by any means grant the promised relief. The Minister had dilated upon the great advantages of living in British Columbia, and had found therein excuse for the attitude of the Government in relation to the iniquitous poll tax. The country had certainly hoped, and had drawn from the guarded remarks of the Premier only a few days since, that the time had arrived when this iniquitous tax would be abolished. Last year he and others in the House had been encouraged by the remarks in this connection of the honorable member for Richmond—the President of the Council—and he hoped that when in committee he offered amendments in this special connection that he might have the hearty support of that honorable member. When the question of the poll tax had last been debated in the House it was quite true the Honorable President of the Council had seen his way to change his opinion when the time came to vote, but taking up the "News-Advertiser", of Vancouver, the other day he was pleased to see it stated there very clearly and emphatically that the time had now arrived in this province for the abolition of this tax. The President of the Council was doubtless in touch and sympathy with the "News-Advertiser" in its expressions of opinion on matters of politics. In consequence, although he had not heard from the President of the Council as