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AN UNJUST BURDEN REMAINS.

THE bill to amend the Assessment Act, introduced into the Ontario Legislature with the object of doing justice to wholesale and retail merchants by taxing their income or profits instead of their capital, has been withdrawn. A deputation composed of the leading wholesale and retail merchants of Toronto waited upon Hon. Mr. Hardy, on March 22nd, and gave ample reasons why the amendment should be adopted. The principal speakers were Messrs. Paul Campbell, Hugh Blain, T. O. Anderson, J. Snort McMaster, James Scott, A. M. Smith and Warring Kennedy. The bill came before the Municipal Committee of the House on April 1st, when the arguments pro and con were threshed out at considerable length. The speakers favoring the bill were Messrs. Paul Campbell and Stapleton Caldecott, Toronto, and John Knox and Thomas C. Watkins, Hamilton, and those opposed to it were Dr. Barwick, J. K.

Kerr, Q.C., Alexander Manning and Robert Jaffray. The supporters of the bill pointed out that in no other country in the world was capital subject to local taxation as it is here. It was a gross outrage to tax active capital employed in manufacture and commerce fifteen times as much as the wealth of retired capitalists who had their money invested in bank stocks, etc. A striking illustration of this anomaly was given. Two brothers start out with \$100,000 each. A invests his money in business and B. in bank stock. A. is assessed on the full \$100,000 invested in his business, while B. escapes with a tax on the dividends accruing from his bank stock. Another striking example of the manifest injustice of the present mode of assessment, in so far as it affects country merchants or manufacturers, was given. The merchant or manufacturer erects a building for say \$20,000. This absorbs the whole of his available funds, and to enable him to stock his store if he is a merchant, or to provide

the necessary machinery if he is a manufacturer, he mortgages the building to the extent of \$10,000. He is accordingly taxed on \$20,000, the value of the building, and on \$10,000, the capital invested in his stock or machinery. Practically he is only worth \$20,000, but he is actually taxed on \$30,000. It was also pointed out that by the present mode of assessment wholesale merchants were considerably handicapped in the race for business. The capital of merchants in Montreal is not taxed, and as these merchants enter into competition with the wholesale merchants of Ontario, the latter are at a disadvantage owing to the excessive burden of taxation which they have to bear. They have also to contend against the competition of foreign merchants who pay no taxes whatever. It was bluntly stated by one of the speakers that unless justice was meted out to them, the wholesalers of Toronto and other cities in Ontario would be forced to transfer their headquarters to Montreal or other cities where their capital would be relieved from taxation.

The chief, and in fact the only, argument, brought forward by the opponents of the bill was that if the capital of merchants and manufacturers was relieved from taxation and only their profits taxed the difference would be thrown upon realty, which they claimed was too heavily taxed already. In answer to this it was contended that the tenant practically paid the taxes and not the owner. That is to say that the owner in leasing a store makes the rent such a figure that it will cover the taxes. It was also shewn that merchants and manufacturers occupied and paid taxes on the highest assessed property in the municipality. The speakers from Hamilton stated that a careful analysis of the assessment roll of that city shewed that merchants and manufacturers occupied and paid taxes on forty-two per cent. of the whole realty. The learned Q.C. who opposed the bill drew a red herring across the scent with marked effect. He argued that if the bill was passed it would be unjust to those who had invested their money in municipal debentures on the understanding that there would be no radical change in the basis of assessment, as the proposed change would militate against the value of their securities. Such an argument is unreasonable. If a municipality is committing an admittedly grievous wrong in the matter of taxation it is its duty to right that wrong and place the burden elsewhere. All that the merchants and manufacturers ask for is justice, and when they obtain that then it is the duty of the municipality to see that their creditors are protected by making up the difference in taxation caused by the removal of the oppression by taxing other property either personal or real. The value of the securities held by investors could not possibly be in the least imperilled by transferring a portion of the taxation from one class of taxable property, which is intangible, to another class.

The members of the committee, while expressing their sympathy with the supporters of the bill, were against doing anything until the whole assessment law was considered de novo. They admitted that there were gross inequalities and anomalies in the present law, and thought that a special session of the Legislature should be held for the purpose of placing the law upon a just, equitable and workable basis. Whether or not this will be done remains to be seen. Meantime merchants and manufacturers in Ontario will have to "grin and bear" this most monstrous injustice, but we are safe in saying that the agitation will not be allowed to lapse till justice is done in the premises.