

1875. 21ST MAY. 1875.

**Bryce McMurrich & Co.**

IMPORTERS AND WHOLESALE

**DRY GOODS MERCHANTS.**

WAREHOUSE

**34 YONGE ST., TORONTO.**N.B.—Large additions to stock received ex STEAMERS  
and SAILING SHIPS lately arrived at Montreal.**THE MONETARY TIMES,  
AND TRADE REVIEW.****TORONTO, CAN., FRIDAY JUNE 11, 1875****THE TAXATION OF PRODUCE IN  
WAREHOUSES.**

A good deal of natural excitement in certain quarters has been caused by the proposal to include in the assessment on personal property the grain that may happen, on some particular day of the year, to be stored in the warehouses and elevators of this city. That such a tax can have the shadow of a pretext under our present law, affords, with other vexatious and unreasonable incidents thereof, reason for revising our whole system of municipal taxation.

This taxation of grain, if it should be carried out, will be in the highest degree unjust; after which it will be a small thing to say that it will be in the highest degree impolitic. The tax is generally defended on the ground that stores of merchandise in other warehouses are subject to taxation, and the query is put, why then should this particular species of merchandise be exempt? The question is a fair one; it is worthy of calm consideration, and the answer to it, we submit, will fully bear out the opinion we have expressed.

There are two or three points in which there is an essential difference between the goods held in the warehouses or stores of our merchants, and the grain stored in the warehouses and elevators that are so conspicuous on the water's edge of the city. We are not about to defend the policy of taxing the former—that is a question on which we have a very decided opinion also; but in the present instance we desire to let each question be argued on its own merits.

In the first place, then, the stocks of goods in wholesale warehouses or retail stores are to a certain and appreciable extent of a fixed character during a whole year. Now, as is well known, the taxation of municipalities is levied for a whole year at a time. The assessment law knows nothing of taxation for a week, or a month, or a quarter. The assessment rolls are made up annually, and not otherwise. The tax is for a whole year, and for no other period. On whatever property the tax is levied that property bears a whole year's burden. On this principle, then—a sound and correct principle—that the burden of taxation should coincide with the benefit derived, it is evident that the immovable real estate of a city should be the first thing liable to taxation, and if personal property is taxed at all, such property should be such as has more or less of a fixed character about it. A certain and appreciable proportion of stocks of merchandise in stores practically answer this condition. They fluctuate, but only within certain limits. A merchant always has a stock of goods on hand. His business could not be carried on without it. The carrying of a stock is of the very essence of his trade. However it may fluctuate in value from day to day, as goods go out and in, there is always a certain minimum below which no stock can go without business being interrupted. This remains from January to December. Under a law for assessing personal property this is a proper subject for taxation. But it is this minimum only, this fixed stock which would be found, let the assessment be taken at any time—it is this minimum only which should be returned to the assessors. We presume that is generally so done. For a trader to return anything else would be to do injustice to himself, to his creditors, and to all who are connected with him.

But between the above state of things and that of grain stored in elevators or warehouses there is a perfect contrast. It is notorious that grain is warehoused only in transit. It is on the way to market, and remains here but a short time. It is no part of the business of a warehouse-keeper to have stocks of grain or flour for sale. There is no such thing as a minimum stock which can always be found there. It would therefore be utterly impossible to fix on any amount of grain which could be equitably called on to bear a year's taxation. We doubt if such a thing was ever known as a merchant having any amount whatever in store for a whole year. It is contrary to the very nature of the trade. The stock fluctuates so much that at times the warehouses are entirely empty. To take the warehouses

at any particular time, and particularly when they are full, and tax the property therein for a whole year, would be a monstrous injustice. It would be little better than confiscation.

The second point is this: that in the case of wholesale and retail dealers there is, for all practical purposes, a continuous ownership during the whole year. We say for all practical purposes, and speaking broadly and generally, for we are well aware that there are exceptions; they are, however, only exceptions. They are only few as compared with the whole. As a rule, there is continuous ownership, and there is no breach of equity (assuming the equity of the law) in imposing the burden of a year's taxation on the minimum before named. But it is perfectly well known that there is no such thing as continuous ownership in the case of grain and flour in warehouses. It would be utterly impossible to find any one person who could be equitably taxed for a year. The owner of the warehouse is scarcely ever the owner of the goods stored in it. The owner of the goods stored there this month is rarely the owner of what may be stored three months hence. Just as continuous ownership is the rule in the one case it is the very rarest of exceptions in the other. The rule of the whole business is that goods are stored by different persons, and for variable periods, generally short, and that no person could ever be found who was fairly called upon to pay a year's taxes on any lot of property, or any minimum quantity whatever. As to taxing the owner of the warehouse, when he is not the owner of the goods stored in it, the injustice of this needs no comment.

On the impolicy of such a tax we need not argue at length. It is always impolitic to tax food. It is always impolitic to tax that which will not bear taxation. And the profits of the grain trade are such that a tax such as the city would impose would sweep it away altogether. This means, of course, that the trade itself would leave the places where the tax was imposed. Of that there can be no doubt. In attempting, therefore, to make grain bear an unjust and unreasonable burden, the city would drive away the grain itself, injuring every interest connected with it, and lessening the value of all the property which furnishes the main reliance of all taxation. The tax, in fact, would be "penny wise and pound foolish."

**A SIGNAL SERVICE SYSTEM.**

Nothing about Canada strikes foreigners more forcibly than our maritime strength and resources, and there can be little doubt