

TAX ON CAPITAL.

Some of our merchants have at last entered a protest against the municipal tax on capital employed in business. The wonder is that they have not acted sooner. Discontent has been steadily growing among them for some years. The Permissive Act passed by the Local Legislature affords an opportunity of having the evil removed, and the efforts now being made are a natural result of the government's action. Of all the forms of local taxation in modern times this is probably the most obnoxious as well as the most unjust, and we may add most unwise. Obnoxious, because it is revoltingly inquisitorial—unjust, because it discriminates unfairly—and unwise, because it is an embargo upon the enterprise of our leading commercial houses. It is most objectionable to have the assessor enquiring into a merchant's business affairs. There are but few even of our wealthiest firms that could not point to the time that an exposure of their position to the public would have been fatal to their prosperity. A business firm should no more be called upon to lay bare to the eye of the assessor the state of their resources than a private family should be forced to divulge the position of their domestic concerns. The very existence of a merchant frequently depends upon his ability to keep his own counsel, and why should he be called upon to abandon a reasonable privilege to bolster up a system of unnecessary exposure, certain perhaps, to end in personal disaster? The injustice of such a tax must be apparent to even the most thoughtless observer. The taxes as now collected are derived from the values of land, of buildings, of income and of personality or capital. The merchant must of necessity pay the first two, that is, he must pay taxes on the value of ground and the building upon it in which he carries on his business, and as the ground is usually the most valuable real estate and the buildings substantial and expensive structures, he as a rule pays a full share in these two respects. Whether this is the proper basis of taxation we are not now discussing, but surely when the merchant is called upon to contribute his full proportion in these two forms, he should be entitled to be put upon a level with the rest of the community in his further contributions. Not so, however. The professional man (if not exempt, partially or altogether) pays upon his income. The man upon a salary (subject to a partial exemption) pays upon his income. The banks and other institutions pay upon their dividends, etc. The merchant alone is called upon to pay on the basis of his whole capital. The incongruity of a tax that singles out one class of the community for payment on their entire capital while all others pay only upon the annual results is plain, but the iniquity of the present condition of affairs becomes peculiarly prominent, when an unfortunate merchant is required to pay upon a supposed capital—upon the shadow of a capital existing only in the

mind of the assessor. Numerous instances are on record where business men have paid taxes on a large capital when they were actually insolvent, and dare not appeal without giving up all hope of being able to overcome their difficulties. Practically the assessor in the majority of instances fixes the assessment at what sum he pleases. If less than the proper amount there is no appeal, if more there is no appeal or the appellant in appealing commits business suicide by destroying his own credit. If the merchant furnishes the amount to the assessor, the honest man gives it correctly, the dishonest man incorrectly, a condition of humanity impossible to remedy. There are to us positively no reasonable grounds upon which the iniquity of this tax can be justly upheld.

Again, we consider it unwise because it discriminates against our merchants in competing for the business of the Dominion. Instead of encouraging the enterprise of the Toronto merchants, we place a fine upon their energy. By the ability and perseverance of our merchants and manufacturers, the prosperity of our city is built up, and a few real estate sharks without contributing towards the general welfare become enormously rich by speculating in land. They are largely released from civic obligation by the payment of single tax. The merchant, on the other hand, is manacled by a chain of taxes, the last link of which is not only more offensive but more oppressive than all the rest. Montreal, our most formidable competitor, issues a license based upon rental instead of this odious system. Hamilton has, we believe, declared against taxing factory machinery. Several other places are moving against the present unsatisfactory condition of affairs which obtains throughout the Province. Toronto should not be last in the march of onward progress.

The Assessment Commissioner is an honest, upright man, and means well, but the position he has taken is incompatible with the welfare of the city, and not in keeping with the advanced political ethics of the day. Wealth should not be the basis of taxation. Opportunity, whether to acquire or to enjoy wealth, should be at the bottom of all taxation. We are not, however, now going to discuss the general question. Our object is to point out how offensive and unjust a tax on capital is, as well as enter our protest against our merchants being handicapped in the commercial race with shackles that would disgrace a village council of the last century.

POINTS ABOUT ADVERTISING

John Wanamaker says: "I never in my life used such a thing as a poster, or dodger, or handbill. My plan for fifteen years has been to buy so much space in a newspaper and fill it up with what I wanted. I would not give an advertisement in a newspaper of 500 circulation for 5,000 dodgers or posters. If I wanted to sell cheap jewelry or run a gambling scheme I might use posters,

but I would not insult a decent-reading public with handbills. The class of people who read such things are poor material to look to for support in mercantile affairs. I deal directly with the publisher. I say to him, 'How long will you let me run a column of matter through your paper for \$100 or 500? as the case may be. I let him do the figuring, and if I think he is not trying to take more than his share, I give him the copy. I lay aside the profits on a particular line of goods for advertising purposes. The first year I laid aside \$3,000; last year I laid aside and spent \$40,000. I have done better this year, and shall increase that sum as the profits warrant it. I owe my success to the newspapers, and to them I shall freely give a certain profit of my yearly business.'

The changing conceits in stationery goods are always reflected with almost kaleidoscopic fidelity in Hart & Company's stock. Plainness is now the decree to which the loyal subjects of fashion bow in choosing their wedding cards for example, and the forms which accord with ruling whims are illustrated in their variety in Hart & Company's store. The stationery suitable for marriage weddings, wooden weddings, silver weddings, etc., is exhibited on the central table. The fine embossing of monograms, crests, and emblems, work we have before referred to in connection with this firm's name, is also conspicuous on many of the envelopes and surface sheets.



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