

THE BUSINESS TAX.



WE HAD hoped to be able to congratulate the Ottawa City Council upon their sense of justice and fair play in substituting the business tax for the obnoxious personalty tax, thereby showing a most worthy example for other cities to follow, but since our last issue a change seems to have come over the spirit of their dream. The motion for the substitution of the business tax was finally defeated by a vote of nine to thirteen without discussion. One of the nays explained that although he liked the tax he found opinion against it because merchants did not understand it and he thought a public meeting should have been held to have it explained. If a public meeting is called—and we believe it will be soon—when a full explanation of the matter could be given by the supporters of the tax, we feel sure the City Council would not fail to rescind their former resolution. We have endeavoured to excite an interest on the subject in the minds of our readers and do not intend to drop it till some definite steps are taken to do away with the present iniquitous system. The principle that the business tax advocates are contending for is founded upon justice and common sense. Can any sensible man give a reason why one class of merchants should be taxed on their capital, another class on their income derived from capital, and other rich capitalists should pay no personalty tax whatever? Why should one class of merchants be discriminated against and another class favored? The substitution of a business tax would clear away all this injustice and unfair discrimination and inaugurate a system of equitable taxation for all classes.

Mr. Paul Campbell, chairman of the committee appointed by the Dry Goods Section of the Toronto Board of Trade to deal with this question, has striven with a devotion and persistency worthy of a better cause to show up the evils of the personalty tax. He has sown good seed which will bear fruit in abundance at no distant day. At a meeting of the section on , 15th, Mr. Campbell submitted the draft of a petition which he had prepared for presentation to the Attorney-General, and it was adopted by the meeting. The petition reads as follows.

"To the Hon. Oliver Mowat, Premier and Attorney General of the Province of Ontario.

"Your petitioners, merchants and manufacturers, represent to you and your Government that the industrial classes of this province, viz, those employing capital in business and manufacture, are unjustly and unfairly taxed in local or municipal taxation.

"Your petitioners respectfully call your attention to these facts. That for municipal taxation a municipality can tax realty and personalty, that the mode and rate of assessment on realty is alike to all classes of citizens, the value of realty being the basis of assessment, and the rate must be the same; but unfortunately when personalty assessment is dealt with, the Act allows the assessor the option of taxing either on income or capital, a monstrous privilege and power, and which is universally used to the detriment and persecution of the said industrial classes; the said industrial classes being always taxed on capital instead of income, the rich and retired classes being only taxed on their incomes derived from capital invested in bank stocks and other investments, and besides millions of capital in this province on deposit at interest in chartered banks, savings banks, etc., is entirely and completely freed from all taxation, contrary to the intention of the Act. Your petitioners desire to call your attention to the circumstance that in Great Britain and all other civilized countries in the world as far as known, except in certain sections of the United States, there is no tax on personalty allowed for local taxation, this privilege and power being reserved to the state. Your petitioners therefore pray that the Municipal Act be so amended that, if the personalty is to be continued, it shall be based on income to all citizens alike."

Mayor Sargent, of New Haven, Conn., in the course of his inaugural message to the Council last January, made the following

remarks which are pertinent to the subject under discussion. He said: It is claimed by students on the subject of taxation that the taxation of capital and all other personal property is unequal and unjust to the conscientious and truthful, because only the few give true statements of their personal wealth. One of the commissioners of taxes in the city of New York has recently testified under oath that "the taxation of personal property is almost an entire failure; that it leads to efforts, and very strenuous efforts, on the part of capitalists (all owners of personal property are capitalists) to remove their property beyond the jurisdiction of the city and state. It offers no encouragement for capital to come here; that the law as construed by the courts enables any one who chooses to so dispose of his personal property that the tax department cannot reach it. Those who understand the law and can take advantage of it, do so in a majority of cases. Those who are ignorant of the law and do not understand their rights, pay taxes." The foregoing testimony was given concerning the present tax laws of New York, which were made for the express purpose of increasing and equalizing the taxes on capital or other personal property, but resulting as usual in harm to enterprise and labor, and in no corresponding gain to any other property nor to the body politic in morals or wealth. It is claimed that by the taxation of personal property, liberal expenditures in proper articles of use, or art in all forms, and home adornment, are discouraged to the injury of labor. That if personal property in a city were free from taxation more people of wealth would permanently reside in that city, and there expend their income and invest, or lend, their capital for use there, to the great benefit of labor. That much capital now invested in other states or foreign countries would come to the place of security, and of freedom from taxation, to the great benefit of enterprise, labor and permanent wealth. That all mechanical, manufacturing and commercial industries would increase to the great benefit of labor, the necessary co-partner of capital in all such enterprises. Any disadvantage or harm attempted to be put upon capital always reacts upon labor, while capital silently flies away to a place of security, if not of profit.

HINTS ON BOOKKEEPING.

The success of every merchant depends largely on the manner in which his books are kept.

A man may be a good buyer, a first class salesman, and have a genial manner that will attract customers to his shop, yet his business may not prosper, because his books are not kept in a methodical manner and regularly posted up.

Country storekeepers neglect their books more than any other class of merchants. In the larger towns and cities where extensive businesses are done, competent bookkeepers are usually employed who devote the whole of their time to the work, and in such establishments the bookkeeping is generally well attended to, but the average country merchant who has to do his own bookkeeping or trust it to incompetent clerks, gets his books so muddled that they are a heavy load on his mind by day and a nightmare at night.

In order to make his business a success the proprietor should know at least once every month, how much he has purchased, how much he has sold for cash, how much on credit and how much he has collected from his accounts, and these facts can only be ascertained by a proper system of bookkeeping.

It is not at all necessary that the system should be an elaborate one in which a great many books are used, but it is necessary that whoever keeps the books should understand thoroughly the system on which he is working.

It is always better in business to be practical rather than theoretical, therefore any one who has not had experience in a good office should adopt some simple system that he is likely to be able to master, in place of trying some intricate system which may be very nice in theory, but not so easily carried out in practice.

Some very pretty theoretical bookkeeping is taught in our high schools and commercial colleges, but it is to be feared that a large