

from such taxes are used to pay for street maintenance, schools, police and fire protection and other community services. Special levies are sometimes made on the basis of street frontage to pay for local improvements to the property such as sidewalks, roads and sewers. Not only is there a widespread difference in the bases used for property tax but there is also a wide variety of rates applied depending on the municipality.

In addition to the taxes described above, municipalities usually impose a charge for the water consumption of each property holder or a water tax based upon the rental value of the property occupied. There are no municipal income taxes, although certain localities have retained the use of a poll tax. In Newfoundland, Quebec and Saskatchewan municipalities are empowered to levy a tax on the admission of persons to places of amusement, although the amusement tax is generally a provincial preserve. Electricity and gas are taxed at the consumer level in some Western municipalities and coal and fuel oil for heating purposes are chargeable in urban areas of Newfoundland. Telephone subscribers are subject to a special levy in Montreal, while certain Ontario municipalities impose a tax on the gross receipts of telephone companies.

In most municipalities, a tax is levied directly on the tenant or the operator of a business. In general, business tax rates are lower than those applying to property. Three bases of assessment are in use: a fraction of the property assessment, the annual rental value of the premises, and the area of the premises. Certain municipalities may charge a licence fee instead of a business tax, while others will charge both a licence fee and business tax.

Miscellaneous Levies

These are not generally referred to as taxes but they are similar to taxes in many ways.

Canada and Quebec Pension Plans

In 1966 the Canada Pension Plan, a compulsory government-operated pension program, was introduced whereby each contributor builds up a right to a graduated pension, the amount of which is related to his earnings up to a certain level. This graduated benefit will supplement the universal old-age-security pension, which is paid out of tax revenue. It operates throughout the country except in Quebec, where a similar pension plan is operated by the government of the province. Both plans have disability and survivor benefits. The maximum amount contributed by an employee in 1969 is \$82.80. The employee's contribution is matched by a contribution by his employer.

Unemployment Insurance

A national program of unemployment insurance operates in Canada. It provides relief to those qualified persons who are temporarily without work. It is administered by a federal commission appointed for this purpose and financed by equal contributions from employers and employees, plus a contribution from the Federal Government. The amount paid into the fund by employee and employer is directly proportional to the weekly wages of the employee. The rates of contributions are as follows: