

sions are very simple but as the law at present stands are only applicable to persons carrying on a mercantile business. It gives power to the council of the municipality to substitute in place of the present personal property tax, a business tax in lieu thereof. Such business tax being levied on the annual value of the premises in which the business is carried on, at a rate not to exceed  $7\frac{1}{2}$  per cent. on such annual value. It also provides for the manner in which the annual value is to be arrived at, namely, by taking the assessed value of the premises and charging the same with 7 per cent. Thus, supposing the council has decided to impose 5 per cent. as a tax to be levied in Ottawa. Given the assessed value of the premises, say \$1,000, multiplied by seven equals \$70, which must be accepted as the annual value. The tax being 5 per cent.,  $\$70 \times 5$  equals \$3.50, which would be the annual business tax on all premises assessed at \$1,000. On premises assessed at \$5,000, the tax would be in the same ratio, namely, five times \$3.50 or equal \$17.50, and so on according to valuation.

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The above appears to us to be a very fair way in which to obviate the difficulties insuperable to the present system and is certainly well worthy of a trial. Indeed the present system is so utterly and radically unsatisfactory that we can hardly conceive of any alteration which would not be for the better and we sincerely trust that when this matter again comes before the council, it will decide to put a new law into operation at as early a date as possible.

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There are several reasons which suggest themselves as valid grounds on which to adopt the new system.

- 1st. It will greatly simplify the work of the assessors.
- 2nd. It will put an end to the inquisitorial inquiries which under the existing law they are compelled to make.
- 3rd. It will distribute the burden of taxation much more equitably than is or can be done at present and on account of its wide distribution it will fall so lightly in its operations as to be very slightly felt.
- 4th. It is a step in the direct. Of abolishing the taxes upon the products of labor and thrift and placing them upon the basis of land values, upon which alone in our opinion taxes should be imposed.