

the burdens of government, namely, the wealthy residents of cities. . . . it is impossible to find this property, and to force men to make returns under oath results invariably in perjury and demoralization without discovery of property." And again the same authority writes: "The tax never has worked well in any modern community or state in the entire civilized world, though it has been tried thousands of times and although the mental resources of able men have been employed to make it work well".

As a remedy for this state of things Prof. Ely advises that the entire system of taxation of invisible property be abandoned and in its stead a business tax based upon property values be imposed.

#### THE TAX.

II. This brings us to our first question, namely, "What is a business tax?"—which we will now endeavor to answer. It is not an experiment, having been in existence for years both in Montreal and Quebec and having been found to work most satisfactorily.

In Montreal the tax is  $7\frac{1}{2}$  per cent, on the annual rental, and there is no such thing as assessment of merchandise or intangible property or income in any shape. "It is levied upon all hotel or tavern-keepers, brewers, distillers, merchants, traders, manufacturers, banks, bankers, brokers, or money lenders, auctioneers, grocers, bakers, butchers, railway, telephone, telegraph, insurance, steamship companies, managers of theatres; or generally in all trades, manufactures, arts, occupations, and professions. Banks pay a specific amount according to paid up capital. The tax on gas companies, insurance, telegraph and telephone, is also specific. So also with regard to the street railway, which pays a tax of \$12,000. On hotels it is also specific, upon a graduated scale according to the rental of the premises. As stated, the system is found both in Montreal and Quebec to work most satisfactorily and we understand that real estate owners make no complaint against it, because they realize that it assists the business of the city and thereby enhances the value of their property.

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With the experience of these cities before us there can be no reason to doubt that it would prove equally efficacious in Ottawa. The law bearing on this subject was passed at the last session of the Provincial legislature, acting on the strong recommendation of the municipal convention held in Toronto in November, 1889. It came into operation on the first of the present month as a permissive measure, which any municipality may accept by passing a by-law to that effect. Its provi-