

THE BUSINESS TAX.



IT may be argued that it is impossible to perfect a system of taxation that will do justice to all, but we have no hesitation in saying that it is impossible to adopt any system more unjust and unequal than our present mode of taxation on per-

sonality, and consequently there is nothing to lose but everything to gain by effecting a change. The demand by those merchants who are agitating for the substitution of the business tax that they shall not be taxed on their capital while other merchants are merely taxed on their income is not only just, but to attempt to defeat this end, or to place any obstructions in the way of legislation necessary to it, is the rankest injustice and should condemn any man or party to public reprobation that seeks to perpetuate it. The inequalities and injustice of the personality tax have been pointed out in previous articles and we need not refer to them again. The question is, how can they be remedied, and the answer is by the substitution of a business tax. On April 22nd, a deputation composed of Messrs. Paul Campbell, Stapleton Caldecott, W. R. Brock, T. O. Anderson, J. Fraser Macdonald, W. W. Copp, W. B. Hamilton, G. B. Smith, M. P. P., representing the Toronto Board of Trade, and Mr. G. B. Ryan, of Guelph waited upon Attorney General Mowat, and Hon. Messrs. Hardy, Gibson and Bronson. The object of the deputation was expressed in the following statement read by Mr. Campbell. —

"We, a committee appointed by the mercantile sections of the Board of Trade, beg leave to address you in regard to municipal taxation.

"Last year you passed a permissive Act, called a Business Act, allowing municipal councils to adopt it in lieu of the present mode of assessing it, the object or aim of which is to relieve the mercantile classes of unjust and unfair taxation. The presumption is, therefore, that the mercantile community paid disproportionately and much greater on the personality division of local taxation than other classes of citizens. We shall not, therefore, dwell on this point.

We, however, desire briefly to call your attention to the circumstances that merchants from the necessities of their business are compelled to transact it on the most expensive land in a municipality and in costly buildings, necessitating their paying the highest realty taxation, but they do not complain of this, as the mode of assessment and rate is the same to all classes of citizens; but when it comes to personality assessment (bearing in mind that we pay the highest on the realty division) we are of all classes singled out, and in an exceptional manner taxed on capital instead of income like others. Why this wrong and injustice? There is no just reason for it. We may state that we would not be here to-day if we were taxed on our income like other citizens. We have, therefore, to ask you, gentlemen, if you cannot see your way clear to make the Business Act mandatory, to change the old law and make the mode of assessment on personality alike and equal to all. That is, to make the entire personality assessment on income, so that the principle of municipal taxation as carried out in Great Britain, France, and in every other civilized country in the world, except in certain sections of the United States and Ontario, "That taxation upon all property of the same class or upon all persons owning the same class of property should be alike," be adopted and applied in Ontario, and which would make our local taxation more in harmony with British law and justice.

Addresses were also made by members of the deputation, in which it was pointed out that municipalities had only the right to levy rates, the right to tax being invested solely in the government, and if the government delegated that right to others, they should be careful that justice be done to all parties. But the fact was that justice was not done, as municipalities tax one class of capital to its fullest extent and other classes the income from it only, which was manifestly a great injustice. It was therefore expedient and necessary that the law should be changed. Various other strong points were brought forward, and the Attorney General assured the deputation that the government would bear in mind its representations.

The Attorney General seemed favorably impressed with the arguments of the deputation, and they are hopeful that he will, in the interests of equity and justice, introduce a measure, at the next session of the Legislature, which will do away with all taxation inequalities.

Ottawa is showing a worthy example to other cities. It appears that the report of the special committee favoring the substitution of a business tax, which we referred to in our last issue, had only been adopted by the Finance Committee of last year. However, the report was brought before the Finance Committee of this year, on May 1st, and again adopted, with the addition that the law be enforced from January 1st next, and that the rate of taxation be 7½ per cent, the highest rate allowed by law. At the subsequent meeting of the City Council on the 4th, a motion to refer the report back for further consideration was lost, but it was afterwards agreed to delay its final adoption by the Council till its next meeting.

THE TRADE IN MONTREAL.

(By Our Own Correspondent.)

To gauge the condition of the dry goods trade and the other industries allied with it during the month that is past is a matter of extreme difficulty as so many factors counteracting one another have entered into the situation. This is the month to which wholesalers looked during the most of a dull winter with hopefulness that they would then be reimbursed for their losses or at least that their trade would meet with an expansion that would recompense them for a period of contraction and inactivity. The opening of navigation was depended on to ensure a circulation in trade that was hampered by uncertainty and distrust and diverted by quantities of goods illegitimately thrown upon the market. They felt that there must soon be an end of this indisposition to buy; that stocks must soon be run down which were not renewed except by small and hand to mouth replenishing, and that the actual needs of the people would compel them to come forward. The present condition may best be summed up by saying that these anticipations have not been realized. While the opening of navigation was followed by increased distribution it did not bring any greater revival of trade than was caused by points along the canals and lakes supplying more pressing wants. Then followed the cold and unseasonable weather which checked the movement in the country, suburbs and city. In the country the roads continue bad, and farmers are working in the fields with other business to do than buying dry goods. Yet it is true that summer will probably come in spite of present unfavorable meteorological conditions and that people must have wherewithal they may be clothed. Travelers are now between seasons on the last end of their sorting trips and also carrying a few samples for early fall delivery. They are sending in only small jobbing orders for immediate needs, and report an excessive caution on the part of buyers. They will not look at fall goods and their reason, already, is that they are waiting to see what the harvest will be like. The receipts of the Grand Trunk railway have been showing a marked decrease, and since it operates chiefly in the districts where most goods were sold, the theory was that farmers were holding back their produce and would send it in with a rush when the proper time came and then indulge in a carnival of buying. The proper moment has come and passed—the opening of navigation—and there has been no rush and no buying. Now it appears that the reason farmers were holding back was that they had nothing to hold. Remittances however have been better, as the remains of last season's products have been put on the market—all agree upon this point. The notes falling due on the Fourth were well met by the retailers themselves without the assistance of their firms. A number of buyers from Eastern Ontario, the Townships and the Ottawa district have been in the city, and their presence helped to cheer the merchants, but they too were buying carefully. Another source of profit is the summer hotels whose furnishing demands a large supply of carpets, curtains and cottons. This compensates in some degree for the falling off in traveler's orders. The Dominion Cotton Company's operation has had a beneficial effect on cotton goods. Prices are well maintained in spite of the cutting done by mills which are yet outside of what they call the combine. The mills are retrenching in their expenditure, they are buying raw goods cheaply and judging from the price of the listed stock appear to be making money. A canvass of the opinion of five of the leading houses confirms the statement that there is a good demand for Canadian fall woollens at remunerative prices, but for other fall fabrics the market is a waiting one.