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In treating any subject it must be discussed on general principles. There will be isolated cases in every community. To illustrate this briefly, a man of large means may live at an hotel, and not being engaged in business, occupies no Real Estate whatever. This is an isolated case. That man will escape taxation. He escapes now, and in my view, not unjustly. The hotel keeper with whom he lives pays sufficient to cover the cost of all the benefit his guest enjoys, and it is included in what he pays for his board and lodging. I only mention such cases because so many people are apt to pick out such an instance and use it as an argument against a scheme which is otherwise good, using the exception to disprove instead of to prove the general rule. Setting aside therefore isolated cases, I assume that every one who has a permanent position in the City lives in a house suited to his requirements, and that every one who is engaged in business occupies in addition to his dwelling some business premises. Doctors are about the only exception to this rule, as they seldom have any special place of business beyond their dwelling. For the sake of disposing of the question of personalty from the personal property owners' point of view, for I am now arguing in favor of its exemption, I will further assume that none of the parties I am now writing about (that is owners of personalty in contradistinction to Real Estate owners) own any real estate, but simply occupy it as tenants. The law of supply and demand will of course regulate the amount of rent paid. However much people may contend to the contrary, this must be the inevitable result. The landlord will add to the rent the equivalent of the increase which he is obliged to pay on his Real Estate on account of the exemption of personalty, if the demand for Real Estate will warrant it. The only case which occurs to me in which the proposed change could create any hardship would be in the case of leases at a fixed rental, the landlord agreeing to pay the taxes. In this event the landlord would have to pay the increased amount of taxes until the expiration of the lease, and could not collect it from the tenant. Such cases might become the subject of special relief by the Court of Revision. They would be few in number, and would soon die out. No relief should be given on any lease entered into after notice of application for the change in taxation nor for any lease having more than three years to run at the time of its coming into force, except as to those three years. This would dispose of the objection which has been made that people bought Real Estate with a certain state of law existing, and that it is unjust to change the law; an objection which, if carried to its full extent, would absolutely prevent legislative change altogether. I desire now to compare the position of persons of different classes, comprising together the whole community, and will divide them as follows: 1, Real Estate owners; 2, Merchants, Manufacturers and others holding large amounts of tangible personal property; 3, Persons of independent means holding large amounts of intangible personal property; and 4, Mechanics, Operatives, and others working for daily wages. There are certain things which all these classes require and enjoy in common. There is also a principle of such evident fairness and of such universal application in every other transaction of life that it is difficult to understand why it should not be an ingredient (which it certainly is not) in Municipal Taxation. That principle is the principle of a *Quid pro Quo*, or in other words, that if you charge a person a sum of money for anything, he has a right to expect not merely something for his money, but a fair equivalent. I am quite certain that those who read this would consider it as a most remarkable thing if a butcher or baker should claim to be entitled to charge a customer for his meat or bread in proportion to his customer's assessed value in the City. A loaf of bread is of a certain value, and of no more value to one than to another. What would be so ridiculous in ordinary business transactions is equally absurd in Municipal matters. I will illustrate what I mean by reference to item 2 Board of Works, \$53,808.47; item 4 Board of Education, \$60,000; item 13 Fire Department, \$19,704.08; and item 27 Police Department, \$32,688.13. Every individual in the four classes into which I have divided the community derives the same personal benefit from the expenditure of these items. The Board of Works expended the above amount in improving the roads and sidewalks. It is of course clear that each person as an individual derives as much benefit from this expenditure as another, and no more. The person who occupies a \$1,000 house enjoys the same benefit as the individual who lives in a \$20,000 house. Can anyone say that the latter has any more good out of the roads and sidewalks than the other? Yet he pays just twenty times as much for the accommodation. This seems bad enough. Where is the