

TAX REFORM

**Proposed by the Liberals
in the Ontario Legislature,
Rejected by the Government**

Mr. Rowell's Speech In the Legislature

Session, 1914

**PRECEDED BY
SUMMARIES**



**GENERAL REFORM ASSOCIATION
FOR ONTARIO**

36 TORONTO ST.

TORONTO

AR3579

TAX REFORM

SUMMARIES

WHAT IS THE TAX REFORM POLICY OF THE LIBERAL PARTY?

Local Option for municipalities to assess and tax improvements, including buildings, business and income, on a lower basis than land. No municipality need adopt the law unless it so desires.

WHOM WOULD IT BENEFIT, AND HOW?

(a) All progressive citizens who are improving their property and thereby benefiting the community, because it would decrease the tax upon their improvements.

(b) The Manufacturer and Merchant, because it would reduce their business tax, as well as the tax upon the factories and stores or shops occupied by them.

(c) The workingmen and men receiving a moderate income, because it would substantially reduce their municipal taxation.

(d) The farmers, because it would place a premium on industry and thrift; it would relieve the progressive farmer who is improving his property from being penalized by increased taxation for the improvements he makes; and it would discourage the holding of land idle and unimproved, which is to the detriment of the community.

(e) The average dweller in city and town, because:

(a) It would take for the benefit of the community a portion of the increased value of lands which the community itself creates;

(b) It would discourage the holding of lands idle for speculative purposes, and tend to bring it into the market, either for sale at a reasonable price to the party who desired to purchase and erect a home of his own, or it would induce the owner to improve it by building on it in order to earn a revenue to pay the increased taxation. In either case it would be helping the average man to secure a home at a reasonable price for rent.

(c) By discouraging the holding of land idle and forcing it into the market or forcing its improvement, it would

help solve the question of overcrowding in our cities and towns, which is rapidly becoming one of the grave social problems of our time.

WHAT HAS THE LIBERAL PARTY DONE TO SECURE TAX REFORM?

Each year during the last Legislature, the Liberals have brought in their Tax Reform proposals, both by way of resolutions and amendments, and by bills.

In 1914 three distinct proposals were made by the Liberals.

1st. Tax Reform as stated in the Liberal Policy, for the whole Province.

2nd. When the Government voted down the general proposal—a proposal that Local Option in taxation be granted New Ontario.

3rd. Tax Reform for the City of Toronto alone.

WHAT IS THE GOVERNMENT'S ATTITUDE?

All the Liberal proposals for Tax Reform voted down by the Government.

What Sir James said:

“Tax Reform proposals of the Leader of the Opposition “belong to the Henry George brand of Socialism. The “next step would be the abolition of the home, marriage “and of religion.”

What Hon. W. J. Hanna said:

“That there existed no need for assessment reform, “because there had been no real demand for such legislation “within the Province, and he could not see that any such “demand was rising.”

GOVERNMENT VOTE AGAINST TAX REFORM

The following was the Government vote against Tax Reform in the Legislature on Feb. 26, 1914.

MESSIEURS:

Armstrong	Devitt	Foy
Black	Donovan	Fraser
Brewster	Duff	Galna
Brower	Ebbs	Gamey
Cameron	Eilber	Gooderham
Carscallen	Ferguson	Grant
Chambers	(Simcoe)	Grigg
Cook	Ferguson	Hart
Dargavel	(Grenville)	Hearst

Henry	Macdiarmid	Rankin
Jarvis	Mason	Reaume
Jessop	Mathieu	Ross
Johnson	Milligan	Scholfield
Lennox	Musgrove	Sulman
Lucas	Nesbitt	Thompson
McElroy	Nixon	(Simcoe)
McFarlan	Owens	Thompson
McGarry	Pattinson	(Peterboro)
McKeown	Peck	Torrance
McNaught	Preston	Vrooman
McPherson	(Durham)	Westbrook
MacArthur	Pyne	Whitesides

WHO HAS ASKED FOR IT?

TAX REFORM PETITIONS

NEWSPAPERS

The following newspapers have petitioned in favor of amending the Ontario Assessment Act to enable municipalities if they so desire to tax improvements in which are included buildings, business assessments, incomes, etc., at a lower rate than land values:

169 NEWSPAPERS

Toronto Globe	Atwood Bee
Toronto Mail and Empire	Aylmer Express
Toronto Star	Acton Free Press
Toronto Telegram	Alliston Herald
Toronto World	Aylmer Sun
Toronto Sentinel	Ayr News
Toronto Standard	
Toronto Can. Manufacturer	Beaverton Express
Toronto Can. Clayworker	Beeton World
	Belleville Intelligencer
London Advertiser	Berlin Telegraph
London Free Press	Bowmanville News
	Brantford Expositor
Hamilton Herald	Barrie Gazette
Hamilton Spectator	Berlin News-Record
	Blenheim News Tribune
Ottawa Citizen	Bobcaygeon Independent
Ottawa Journal	Bolton Enterprise
Ottawa Free Press	Bowmanville Can. Statesman
Ottawa Le Temps	Bracebridge Gazette
	Bradford Witness and South
Arnprior Watchman	Simcoe News

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| Bridgeburg Review | Ingersoll Chronicle |
| Brigden Progress | |
| Bruce Mines Spectator | Jarvis Record |
| Burlington Gazette | |
| Brockville Times | Kincardine Reporter |
| Burk's Falls Arrow | Kingsville Reporter |
| Belmont Times | Kingston British Whig |
| | Kingston Standard |
| Carleton Place Herald | |
| Cayuga Haldimand Advocate | Lanark Era |
| Chatham L'Ami du Peuple | Listowel Banner |
| Clifford Express | Lucknow Sentinel |
| Cobalt Citizen | Leamington Post |
| Cobden Sun | Lindsay Warder |
| Comber Herald | |
| Cornwall Freeholder | Markdale Standard |
| Courtright Sun | Midland Argus |
| Campbellford Herald | Milverton Sun |
| Carp Review | Minden Echo |
| Chatham Planet | Mitchell Advocate |
| Chesterville Record | Mount Forest Representative |
| Cobalt Nugget | Madoc Review |
| Collingwood Bulletin | Markham Sun |
| Cornwall Standard | Marmora Herald |
| Creemore Star | Merrickville Star-Chronicle |
| | Milton Can. Champion |
| Drayton Advocate | Mount Forest Confederate |
| Dunnville Gazette | |
| Durham Review | Napanee Express |
| Dungannon News | New Liskeard Herald |
| Durham Chronicle | Niagara Falls Review |
| Dutton Advance | Niagara-on-the-Lake Times |
| Drumbo Express | North Augusta Citizen |
| | Norwood Register |
| Elmira Advertiser | Napanee Beaver |
| Eganville Leader | Niagara Falls Record |
| Eganville Star-Enterprise | |
| Fort William Times Journal | Oakville News |
| | Oil Springs Chronicle |
| Galt Reformer | Oshawa Reformer |
| Gananoque Journal | Oshawa Vindicator |
| Gorrie Vidette | Owen Sound Times |
| Georgetown Herald | Orangeville Sun |
| Goderich Signal | |
| | Paisley Advocate |
| Harriston Review | Parkhill Gazette Review |
| Harrow Sentinel | Port Credit News |
| Havelock Standard | Prescott Messenger |
| Hawkesbury Echo | Preston Progress |

Peterborough Times	Streetsville Review and Herald
Petrolia Topic	Sudbury Journal
Picton Times	
Port Perry Star	Thessalon Algoma Advocate
Powassan News	Tillsonburg Liberal
Port Elgin Times	Tillsonburg Observer
Paris Review	Tiverton Watchman
	Tottenham Sentinel
Rainy River Gazette	Trenton Advocate
Ridgetown Dominion	Thamesville Herald
Ridgetown Plaindealer	
	Waterford Star
St. Catharines Star Journal	Welland Telegraph
Shelburne Free Press	Wheatley Journal
Sombra Outlook	Wingham Advance
Stirling News Argus	Woodstock Sentinel Review
Stratford Beacon	Waterloo Sentinel
St. Catharines Standard	Wingham Times
St. Mary's Journal	Watford Guide-Advocate
Shelburne Economist	Welland Tribune
Smith's Falls Rideau Record	West Lorne Sun
Stayner Sun	Windsor Record
Stratford Daily Herald	Woodstock Express
Stratford Weekly Herald	
Strathroy Age	Zurich Herald

MUNICIPALITIES

The following Municipalities have petitioned in favor of amending the Ontario Assessment Act to enable Municipalities, if they so desire, to tax improvements in which are included buildings, business assessment, incomes, etc., at a lower rate than land values.

6 CITIES

Fort William	Ottawa	Toronto
Guelph	Port Arthur	Windsor

32 TOWNS

Almonte	Fort Francis	Napanee
Arnprior	Galt	New Liskeard
Bothwell	Haileybury	North Bay
Bowmanville	Hanover	Parry Sound
Brampton	Harriston	Rainy River
Cobalt	Keewatin	Simcoe
Cobourg	Latchford	Steelton
Deseronto	Leamington	Vienna
Dresden	Lindsay	Wingham
Essex	Massey	Warton
Forest	Meaford	

38 VILLAGES

Ailsa Craig	Glencoe	Ridgetown
Athens	Grand Valley	Springfield
Ayr	Hastings	Stirling
Arthur	Lancaster	Streetsville
Bayfield	Lanark	Tavistock
Bobcaygeon	Marmora	Theford
Bolton	Maxville	Tweed
Casselman	Omeme	Wardsville
Cobden	Paisley	Watford
Coldwater	Port Carling	Westport
Exeter	Port Colbourne	Winchester
Eastview	Port Dover	West Lorne
Fort Erie	Richmond Hill	

144 TOWNSHIPS

Alnwick	Eastnor	Lavalle
Atwood	Elderslie	Lavant
Armour	Eldon	Limerick
Bangor	Elma	Lindsay
Bedford	Emily	McDougall
Bexley	East Luther	McGillivray
Blanford	Emo	McKellar
Blezard	Ennismore	McMurrich
Bonfield	Erin	McIrvine
Bruce	Ferris	Macaulay
Brunel	Easthope S.	Macdonald & Meredith
Bucke	Garafraxa E.	Madoc
Bosanquet	Garafraxa W.	Martland
Camden	Gosfield North	Medonte
Cameron	Goulburn	Mono
Cardwell	Grattan	Morley
Carlow	Head	Mulmur
Chamberlain	Hallam	Mattawan
Chapelle	Hammar	Maidstone
Charlottesville	Harvey	Nairn
Christie	Hay	Neebing
Clarendon	Hillier	Neelon & Garson
Clarke	Hilton	Nelson
Colborne	Hinchinbrooke	Nepigon
Coleman	Hudson	Niagara
Casey	Humphrey	Oakley
Cramahe	Huntingdon	O'Connor
Derby	Jaffray & Melick	Ops
Draper	Jocelyn	Osgoode
Dalhousie	Johnson	Oxford N.
Dilkie	Joly	Oxford E.
Downie	Kerns	

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Pellee Island	Salter, May and	Thorold
Perry	Harrow	Tilbury E.
Pickering	Sandwich E.	Townsend
Pittsburg	Schreiber	Tuckersmith
North Himsworth	Sheffield	Tudor
Plympton	Shuniah	Tyendingaga
Prince	Sherborne	Vaughan
Puslinch	Springer	Verulam
Papineau	Stanley	Walpole
Radcliffe	Sunnidale	Warwick
Raglan	Sydenham	Wilberforce
Rama	Saugeen	Worthington & Blue
Ramsay	South Norwich	Waters
Rayside	Toronto Gore	Yonge Front
Richmond	Tecumseth	Zorra E.
St. Vincent	Thessalon	

233 Labor Organizations.

Citizens of Toronto, by the following vote, on Jan. 1, 1913:

For Tax Reform.....	25,424
Against.....	6,404

Majority for Tax Reform.....	19,020
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Toronto Methodist Conference, June, 1913.

**CONSERVATIVE AND INDEPENDENT OPINIONS
ON TAX REFORM**

Ottawa Citizen (Conservative):

“The Tory attitude towards Tax Reform in Ontario
“may soon give this banner province the proud distinction
“of being more reactionary than Spain. Ontario is be-
“coming the Rip Van Winkle of the World. The Liberals
“are awake to the fact that public opinion will sweep
“from Office those who are obstructing Local Option in
“taxation.”

Toronto World (Conservative):

“The Opposition has wakened up. The members on
“the Government benches have gone to sleep.”

Ottawa Journal (Conservative):

“If Sir James Whitney is going to maintain his present
“attitude against Tax Reform, we think that the Province

"can afford to retire Sir James Whitney from power. The Liberals in Ontario have a good man and a clean politician at their head, are as much supporters of the Hydro-Electric Policy as the Conservatives are, and we see no conclusive reason why Ontario need hesitate to put the Liberals in power again if a majority of the Conservatives wish to stand in the way of progress. A stolid stupidity on the question of Tax Reform."

Toronto Saturday Night (Independent):

"Sir James Whitney is proving himself a reactionary. Ontario's Premier has his head in the sand, his coat-tails in the air, and refuses to budge. This blustering Big Boss may imagine for the moment that he can by some magic process set his face against fundamental reforms and against the will of the people and still prosper as the Big Chief, but the people of Ontario will not long tolerate an obstinate obstructionist."

Resolution Passed Unanimously by the Dominion Grange (Farmers):

"We note with pleasure the growth of public opinion in favor of Local Option in taxation, and we again protest against the injustice of denying to municipalities the right to exempt improvements from taxation if they so wish."

Farmers' Magazine (Independent):

"The movement for Assessment Reform is growing stronger in Ontario. Farmers for years have suffered for their thrift in erecting new buildings and in improving the soil, to be taxed at a higher rate. Their shiftless neighbors have thus been bonused."

Statement of J. H. Burnham (Conservative M.P. for West Peterboro):

"If Sir James Whitney realized that to take off the tax on buildings meant the virtual obliteration of the slums; if he knew that much of the two per cent. of the municipal tax would go to the tenant of the tenement, he might talk less about wrecking homes by tax Reform. But he will neither do it, nor allow those who pay the taxes to do it."

Cobalt Nugget (Independent):

"It is not necessary to go far in this country to see evidences of the vicious effects of the present system

“(of taxation). With the examples that we have in this district, the inhabitants of Northern Ontario, if called upon to vote, would cast an almost unanimous vote in the same direction as the citizens of Toronto (in favor of ‘Tax Reform).’”

Toronto News (Conservative):

“There is strong sentiment in favor of reducing taxation on improvements, and most people realize that the business tax is unfair and oppressive.”

Peterboro Times (Independent):

“The next election will find this question of Local Option in taxation an issue which even the roaring lion in Toronto will not be able to resist.”

Mail and Empire (Conservative):

“That there are assessment grievances, no one will deny. It is notorious that the assessment system, as at present worked, distributes the burden of taxation unfairly. Assessment, as we now have it, is erratic rather than systematic.”

Toronto Telegram (Conservative):

“The Ontario Government’s adherence to unjust and unprogressive methods of taxation.”

Galt Reporter (Conservative):

“The tax reformers may be erratic, visionary, incapable of taking a practical view of things, and otherwise unbalanced, but lined up behind Mr. Rowell, the combination would make a formidable one. Does Sir James Whitney feel strong enough to drive them into the Liberal ranks? That is the question.”

Industrial Canada (Organ of the Canadian Manufacturers’ Association):

“The Special Committee of the Canadian Manufacturers’ Association, which had the subject under consideration for several months, came to the unanimous conclusion that public opinion and the experience of other jurisdictions justified and, in fact, demanded at least two further changes in the assessment system: The abolition of the business tax, and the imposition of some form of tax upon unimproved land. We have no hesitation in saying that if Sir James has been accurately reported as saying that there

"is no demand for radical changes, he has been ill advised."
—Feb. 10, 1913.

Lethbridge, Alberta, News (Conservative):

"Sir James Pliny Whitney, Premier of Ontario, has
"surely reached the limit of absurdity in his consideration
"of the very reasonable proposals of the Tax Reformers of
"that Province." Feb., 1913.

SPEECH OF
Mr. N. W. ROWELL, K.C., M.P.P.
Leader of the Opposition in the Ontario
Legislature, in favor of

TAX REFORM

SESSION, 1914

MR. SPEAKER:

"In order to understand and appreciate the effect of the present bill, may I briefly refer to the law as it now stands in reference to the taxation of lands, buildings, business and income.

Under the present assessment law all real property in Ontario, subject to the exemptions mentioned in the Assessment Act, is liable to assessment and taxation for municipal purposes. In assessing this real property the land and buildings are valued separately and the Statute declares "the value of the building shall be the amount by which the value of the land is thereby increased," and the assessment of the property is the sum of the values of land and building so ascertained.

We also have the tax known as the business tax, which every person carrying on a business or practising a profession is required to pay. This business tax is based upon the assessed value of the premises occupied by the person in carrying on the business.

There is, in addition, the income tax, payable as provided in the Assessment Act.

All progressive students of the question of taxation recognize the clear distinction which exists between land on the one hand, and the products of labor on the other, as the subjects of taxation. The products of labor include the buildings and other improvements placed upon the land, business tax and income tax.

The bill introduced by my Hon. Friend and Colleague from East Lambton is similar in its terms to that introduced into this House during the past four sessions.

THE OBJECT OF THE BILL

All these bills have one object in view, namely: To grant to the municipalities of the province the right, if they desire to exercise it, of taxing improvements on a lower basis than land; and by improvements we mean not only buildings, fences, etc., but income and business assessment as well. The bill embodies two principles: The

first, that improvements, or broadly speaking, the products of labor should be taxed on a lower basis than land; the second, that having regard to the diversity of conditions existing in the province of Ontario as between cities and towns on the one hand and villages and rural municipalities on the other, and as between Old Ontario and New Ontario; that we should provide legislation so that each municipality may be permitted to adopt such a basis of assessment and taxation within the limits prescribed by the bill as the circumstances of the municipality warrant and demand. This is why the principle of Local Option is introduced into the bill. If, therefore, there are municipalities in the province, either city, town, or rural, entirely satisfied with the existing law, they may retain the existing law. They are under no obligation to change; no one desires to force a change upon them; but the bill would authorize those municipalities which are not satisfied with the existing law and which desire a change, to make it.

What the municipalities that desire a change say, and say with great force, I submit, to the municipalities which may not desire a change because they are satisfied with the present law is this: "Because you do not feel you suffer any injustice under the law, why should you deny us, who are dissatisfied with the existing law and who do see the grave abuses and injustices arising under it, the opportunity of remedying in our own municipalities those abuses and injustices?" Surely that is a reasonable attitude to take.

VITAL PRINCIPLES

The following are the vital clauses in the Bill:

- 4a. (1) In any municipality the Council of which by by-law so provides, there shall, for the purposes of levying of taxes or rates, be two classes of assessment, as follows:
- (a) Lands;
 - (b) Improvements, income, business and all assessments other than lands.
- (2) There shall, in such cases, be two rates of taxation, one a higher rate on lands, and the other a lower rate on improvements, income, business and all assessments other than lands.
- 4b. No by-law passed pursuant to the provisions of section 4a shall be effective unless it receives the votes of not less than two-thirds of the Council on the final passage thereof; or unless it receives the assent of the ratepayers before the final passing thereof.

The exact form or terms of these clauses are not of such great moment; if the Government will but accept the principle of the bill, I am sure my Hon. Friend from East Lambton would

be prepared to consider any reasonable amendment the Government may have to offer in reference to details of working out this bill. It has been suggested that some limitation should be put upon the power of the Council to limit the amount by which the assessment of improvements may be reduced in any one year. Personally I see no objection to the bill if amended in this way, if the members think it necessary.

The bill is in a form suggested by those interested in the cause of Tax Reform, but what they are contending for and what we are contending for is the recognition of the principle of the bill in legislation, and we are prepared to consider any reasonable amendments or suggestions.

OBJECTIONS TO BILL

What objections, Mr. Speaker, are urged to this very reasonable proposal? The only objections I have heard seriously urged are those of the Prime Minister himself, namely, that it is checker-board legislation, and that Local Option is a new and dangerous principle to introduce; and second, that this whole idea of land tax savers of Socialism; **and the Prime Minister, with a show of seriousness, has suggested it may lead to Socialism, and Socialism may lead to the abolition of home, family and religion, and therefore, as good loyal Christian citizens, we must vote down and defeat this innocent bill.**

It is difficult, Mr. Speaker, to treat seriously these objections, but as they are backed up by the whole force of the Government vote, and as they stand apparently as an insuperable obstacle in the way of progress, may I point out how utterly foundationless they are.

SIMPLY ENLARGING SELF-GOVERNMENT

Mr. Speaker, at present we permit each local municipality to determine how much it shall raise each year for its own municipal purposes to carry on its own municipal undertakings. Each municipality has the right of self-government in determining the amount of its own taxation. This bill goes but a step further and gives to each municipality in addition to the right to fix the amount to be raised, the limited discretion as to the proportion of this amount which shall be raised from the different classes of property in the municipality. Surely it is not giving to the municipality too large powers of self-government. I submit, as the Hon. Member for East Lambton has so well and so strongly urged, that in giving to these municipalities what they have been asking for and petitioning for for years, we are but conferring upon them a reasonable extension of the right of self-government which they are well capable of exercising—exercising in their own interests and for the public

good; and that this House would be doing a useful public service in enlarging the powers of self-government of the local municipalities in the province.

WE NOW HAVE LOCAL OPTION

I desire, Mr. Speaker, to point out further that Local Option is not a new principle even in connection with our existing municipal taxation. We have in all our municipalities, but particularly in our rural municipalities, two methods of taxation for raising the moneys necessary to carry on our municipal undertakings. We have in our rural municipalities our ordinary municipal taxation, and for improving our roads and highways we have our special Statute Labor Law. We have in our cities and towns our ordinary municipal taxation and what we call a Poll Tax in lieu of Statute Labor.

While this does not amount to a great deal in our cities and towns, the Statute Labor in our rural municipalities constitutes one of the most important items of municipal service and taxation. As the members are all aware, Statute Labor in rural communities is based upon the assessed value of the property, so that if a farmer is assessed for \$3,000, he is liable for 12 days statute labor. This may be computed by the municipality at either \$1.00 or \$1.50 per day, depending upon a by-law which may or may not be passed by the local municipality. If under by-law the value of statute labor has been fixed at \$1.50 per day, you have a statute labor tax on this farm of \$18.00. Now the assessment in many rural municipalities will not exceed 10 mills on the dollar; in some cases of course, it does exceed this; in some I believe it is below. But assuming then for the purpose of illustration the tax rate is 10 mills. The ordinary tax on the farm would be \$30.00 as compared with \$18.00 for statute labor. In other words, more than one-third of the total taxes payable by this farmer would be collected under the Statute Labor Act.

Now, Mr. Speaker, would you believe it, that for years we have provided in the legislation of this province that every municipality shall enjoy Local Option completely to wipe out the Statute Labor Tax and Poll Tax and collect the whole amount required for municipal purposes by assessment under the Municipal Act. We have given the municipalities Local Option not only to reduce or wipe out the Statute Labor Tax, but we have given them Local Option to increase it so that in any rural municipality in the province the Municipal Council may by passing the necessary by-law increase, diminish or entirely wipe out the charge or tax payable under the Statute Labor Act. It is clear, therefore, Mr. Speaker, that in proposing Local Option in matters of taxation we are not introducing any new principle of taxation into our law.

LOCAL OPTION IN DEFIANCE OF LAW

I desire to add, Mr. Speaker, that not only is Local Option not a new principle under the law as it stands, but it is not a new principle in actual practice. The members of this house will remember that when the Special Assessment Committee of this House met in the month of December, 1912, to hear deputations present their views on the assessment law, the representatives of the Dominion Grange, who were supporting the principle embodied in this bill, furnished to the Committee data collected from assessors and clerks from many municipalities in the province in reference to the basis of assessment in these municipalities. What did these statistics disclose? They are most valuable and illuminating. They show the wide diversity of practice under the existing law and how far the local assessors with the consent and approval of the Municipal Councils are acting, acting in a way the law declares they should not act. In many municipalities they are exercising the right of assessing buildings and improvements on a very much lower basis than is being adopted in other municipalities, and on a much lower basis than land. So that we have in actual operation to-day throughout the province a system of Local Option in taxation unauthorized by law; we have throughout the province this checker-board system so objectionable to the members of the Government; we have it, I believe, to the advantage of the communities where it is in operation.

LAND TAX NEW PRINCIPLE

Let me deal briefly with the second objection, namely that this land tax is introducing some new and vicious principle. Why should there be a difference in the basis of assessment and taxation between the products of labor and land? For this most important reason: A system of taxation may mean vastly more than simply a method of raising a certain amount of money for municipal purposes: it may have most important social and industrial results. If you impose burdens upon improvements, upon thrift, and upon industry, the tendency of imposing such burdens is to discourage rather than encourage improvements, industry and thrift. You are taking away from the thrifty industrial toiler a portion of the product of his labor. On the other hand, the very growth and progress of the community is itself adding to the value of the land in the community; the community is itself creating by its own growth values in land without regard to any effort or any labor on the part of the owners of the land. Is it not a fair proposition then, Mr. Speaker, that the community which needs for its public purposes a revenue, should avail itself to some extent at least of the values which the community itself creates,

as a source for such revenue rather than exact that revenue from the toiler who is producing the wealth of the community? In other words, under our present assessment law, if a man improves his property, contributes to the progress of the community, he is immediately taxed on the improvements he makes and thereby penalized to provide funds to further contribute to the progress of the community; whereas the man who owns land, permits it to remain idle and unimproved, who is contributing nothing to the real growth and progress of the community reaps in the increased value of his land the results of the toil of his neighbor and the expenditure of the municipality without contributing his fair share to the municipal exchequer. **What this bill therefore proposes to make possible is this: that in any municipality where the electors so decide, they may encourage improvements and development and discourage the holding of land idle for the purpose of speculation, by relieving to some extent the burden of taxation now imposed upon improvements, and transferring a portion of this burden to land.** If you increase the burden of taxation on unimproved land, you discourage the holding of this land idle; it becomes unprofitable to leave it idle; the owner must put it to some good use in order to derive the revenue necessary to pay his taxes; and in this way you encourage progress and development.

WOULD HELP WORKINGMEN

Another most important aspect of this matter touches the question of housing. Under our existing assessment law, with the great and rapid growth of industrial centres, it is proving a very profitable speculation to purchase unimproved lands, to hold them for a rise in value and to sell at greatly enhanced prices, due to the industry of others and the general growth of the community—with this unfortunate result in a city like Toronto: the land values have grown so high that, according to the testimony of representatives of labor, who appeared before the Assessment Committee of the Legislature in 1912, **it is not possible for working men to-day, under existing conditions, to acquire land convenient of access to their work at a price at which they can afford to purchase.** Nor is it possible, due to a similar cause, which has greatly increased rents for thousands of working men's families, to rent a house of their own and enjoy the comforts and blessings of home. Land is so high; rents are so high; the cost of living is so high that workers must crowd together, two or three families in a house, in order to divide the expense between them; and many others cannot provide even this accommodation. In Toronto we are face to face with the problem of overcrowding in an acute form. I wish to say that no greater calamity

can happen to any community than that conditions should arise where the average toiler is unable to get a home where he may rear his family where they may enjoy the privacy and the blessings of home life. For, after all, the home is the unit, the foundation of all that is best and truest in our social and national life.

TAX IMPOSED ON THRIFT

What is true of real estate in regard to workingmen's homes is also true of real estate in business sections. The great inflation of real estate values, the great increase of rental values impose a tax upon the thrift and industry of the future—a tax which would bear heaviest upon those least able to bear it.

Let me illustrate what I mean: The increase in real estate values in the city of Toronto has been more rapid than even the increase in our assessed values, but the increase in the assessed values have been enormous. The assessed value of land in the city of Toronto for the year 1910 was \$108,704,759; the assessed value in 1914 was \$260,948,977. It is only fair to point out that the area of Toronto was enlarged during this period by the annexation of North Toronto and Moore Park, in the month of December, 1912; but if we deduct the assessed value of these areas together with their proportionate percentage of increase in assessment, we still have the assessment for the remainder of the city for the year 1914 of \$245,000,000, or \$137,000,000 more than the assessed value in 1910. In other words, from 1910 to 1914, the assessed value of the same land in the city of Toronto increased \$137,000,000, or more than 125 per cent.

When you bear in mind that this is more than twice the total expenditure of the Province of Ontario during these same years, it gives you some idea of the enormous increase in real estate values in Toronto; and what is true of Toronto is true, in proportion to their size, of a number of the other cities and towns of the province. These are values which the citizens create; values which the whole province helps to create; and I can see, Mr. Speaker, no good reason why, from lands so rapidly increasing in value, the municipality should not derive larger revenues than it now secures, and why this larger revenue so derived should not go to relieve the present tax upon industry and labor in the municipality.

WOULD BENEFIT MANY CLASSES

This change in our assessment law would benefit the manufacturer and the merchant, as under it his assessment for buildings and business tax would be reduced; this change would benefit the clerk and the working man, for under it the assessment upon his home would be reduced.

Mr. Forman, the Assessment Commissioner, of the city of Toronto, in his annual report for the year 1912, gives certain estimates of the effect upon the taxation of various classes of property in the city of Toronto in the event of a reduction in the assessment upon improvements, business and income of 25%. He estimates the assessed value on the home of the average artisan at \$2,400, land \$600 and building \$1,800. On this valuation, with a tax rate of 18 mills on the dollar, the taxes would amount to \$43.20. With 25% off building, the workman would save \$2.78 on his annual tax bill. Without questioning the basis upon which Mr. Forman has proceeded, I have carried his calculations two or three steps further, and I find that if in the city of Toronto the assessment on buildings were reduced 50%, it would mean an actual saving in taxes to the workingman of \$6.60, if we take 75% off the buildings, it would mean a saving in taxes of \$12.01; if we took 100% off the building, as they have in a number of western cities in Canada, it would mean a saving of \$20.37, or would cut his taxes practically in half.

In view of the present high cost of living, what a boon that would be to every working man. But this would not be the largest benefit which such a system of taxation would bring to him: The largest benefit would be that the increased burden put upon unoccupied land would tend to force that land into the market for sale at prices which would be within the reach of the working man; or would force the owners to improve it, which would increase the housing accommodation so urgently needed in the city of Toronto. For the Medical Health Officer has told us that there are ten thousand new houses needed in the city of Toronto at the present time to provide proper housing accommodation for our citizens.

INCREMENT TAX

I am not sanguine enough, Mr. Speaker, to think that simply local option in taxation would solve the whole difficulty in land speculation or high-priced land, but I am sanguine enough to think that it would be a valuable contribution toward the solution of this problem. But speaking for myself, I believe we should go further and in addition to permitting the reduction of taxation on improvements, I believe the time must come—I believe, in the public interest, the sooner it comes the better—when the community will take for public purposes a direct percentage of the increased selling value of building land which the community has itself created. They are doing it in Great

Britain. They are doing it in the cities of Germany. They are doing it in Alberta. If in the city of Toronto a portion of this increased selling value had been taken in recent years, what a substantial reduction would now be possible in the general municipal taxation of the city; and if a portion of it were also taken for provincial purposes to work out some schemes of social reform for the benefit of those of our citizens who are compelled to bear burdens and endure hardships greater than they should bear, what a great blessing it would be to them and to the whole community.

Why should not the bill of my Hon. Friend for East Lambton be unanimously accepted by this House? It is but a step—a most important and valuable step toward the solution of the problems I have been discussing. What reason is there for refusing to take this step? No reason whatever except apparently the determination of this Government to block this great and important social and industrial reform.

GOVERNMENT CAUSES DESPAIR

A reform in our present assessment law has been urged by the manufacturers of the province. The Manufacturers' Association have pointed out the injustice of the present system as a handicap to industry, and their representatives have urged upon the Government as they urged upon the Special Assessment Committee of the Legislature, the importance of immediately dealing with this question; but the Government treated their request with scant courtesy. I find in their report that the Special Committee on Assessment met on the 11th of February, 1913, to consider the advisability of taking further steps in the matter, and I quote as follows:

“It will be remembered that these principles were presented to the Special Committee of the Legislature appointed to deal with the matter. This Committee has reported against any amendment, and although there has been considerable dissatisfaction with the attitude of the Government, your Committee have reason to believe that the Government is opposed to making any radical change in the present Act. Your Committee state that the representations of the Association did not receive from the Government the consideration which they merited; and the proposal was considered of having a deputation wait upon the Premier to re-enforce the petition as outlined before the legislative committee. In view of the attitude of the Government, however, your Committee did not deem it wise to press the matter any further, at all events, without instructions from the Executive Council.”

In other words, the manufacturers have given up the fight for assessment reform as hopeless, so long as this present Government continues in power.

BOARD OF TRADE ASKS REFORM

The Board of Trade of the city of Toronto, on January 9th, 1913, adopted the following resolution:

"RESOLVED, that having regard to the increase in certain localities and at certain periods in the value of land, it is expedient that municipalities should be allowed some measure of Local Option in the levying of taxes upon the land rather than upon the improvements thereon."

The Associated Boards of Trade of the Province of Ontario, who met in the early part of last year, after full discussion of the question passed a similar resolution: so that the commercial bodies of Ontario representing its business interests, stand on record in support of the policy of Tax Reform—the policy we have been fighting for, for some years. They too, apparently, must give up the fight for assessment reform so long as this present Government continues in power.

The working men of the province who suffer most from our present system of taxation have been urging this reform year after year, and have presented petitions by the score in support of the principle of this bill. Their representatives appeared before the Assessment Committee of the Legislature and urged that this reform should be granted by the Government, but they, too, apparently must give up all hope for relief from the present burden—all hope for improvement which such a measure would help to bring about—so long as the present Government continues in power.

FARMERS DEMAND RELIEF

The farmers in this province are in favor of this reform. The representatives of the agricultural interests of the province appeared before the Assessment Committee and urged this legislation. They appealed to the Committee to pass such a bill. They pointed out that in the country just as in the city our present bill penalized the progressive farmer. The man who improved his farm, putting up good fences, erecting good out-buildings, putting up a house which not only improved the character of his own place but improved the general tone and character of the community, was taxed upon these improvements and was called upon to pay, by reason of the very improvements he made, a much larger tax for the same public municipal services than his neighbor who neglected his place and made no improvements, was called upon to pay. The representatives of New Ontario appeared before the Committee and urged this reform. Their view is that whatever may be the condition in Old Ontario, let them in New Ontario not be handicapped by the existing system of assessment. They are competing for settlers

with Manitoba, Alberta, Saskatchewan, and British Columbia. In all these provinces they are exempting settlers' improvements from taxation and are raising their taxes upon land. They ask, "why prevent us from offering similar inducements to settlers in New Ontario. If you insist upon the old system of taxation for Old Ontario, do not handicap us in New Ontario in working out our problems by your system of taxation." They too, must give up hope so long as this Government continues in power.

ALL APPEALS WERE REJECTED

The municipalities of the province, urban and rural alike, have presented petitions by the score to the Legislature asking for this reform. The public press of the province, Liberal and Conservative, have advocated this measure; have urged it upon the attention of the Government with a unanimity unparalleled, I venture to say, in the consideration of any public question which has been before the people of this province for many years. From all parts of the province; from all classes of the community comes this urgent appeal to Government for progress; for a removal of the present handicaps and injustices; for the opportunity of doing better things for industry, for labor and for social conditions; and yet to all these appeals this Government simply says "No, you cannot have it."

I venture to think when election time comes around if the people of this province have the courage of their convictions; have an interest in real social progress; and have a reasonable measure of self respect and patriotism they will break for once their party affiliations and party ties and will move out of the way a government which blocks the path of progress in this province.

My Hon. Friend, in opposing this bill, has referred to the assessment of the home of one of our most wealthy citizens and has suggested that we are inconsistent in complaining about that assessment. The facts are that a home which cost a million or more dollars to build has been assessed under the existing law for one hundred thousand dollars. Why? Because, as my Hon. Friend has pointed out, the law now provides that the assessment of the buildings shall be just the amount by which the building increase the selling value of the land; and as this house is so large and so expensive and unsaleable, while it cost over a million dollars, it does not increase the selling value of the land more than \$100,000. Therefore it is assessed at only \$100,000. My Hon. Friend misses the point or is endeavoring to dodge it.

LAW PROVIDES INEQUALITY

If the homes of artisans or of the working man as well were assessed at only one-tenth of their cost, then there

would be no real ground of complaint, but the ground of complaint is this. that the house of the working man and the ordinary citizen adds to the selling value of the land in the City of Toronto by the amount of the actual cost of the building. In some cases, possibly more. So that the home of the artisan as well as of the ordinary citizen under the existing law if carried out to the letter would be taxed at practically its full cost, whereas the home of the millionaire, extravagant and unsaleable, is only taxed at a percentage of the cost. In this, we say, lies the great injustice of the present law—an injustice which the Government apparently refuses to remedy.

The circular which my Hon. Friend sent out last year following the meeting of the Assessment Committee, as well as the declaratory amendment to the Assessment Act passed last year, will, if carried out, only aggravate rather than relieve the present difficulties; for in many cases the assessors are better than the law in the sense that they are not taxing improvements to the full extent that the law now requires them to be taxed and the steps the Government has taken are not steps in advance but will prove retrograde movements.

Mr. Speaker, we, all interested in the province, have appealed to the Government. The Tax Reform Association which for years has been carrying on unceasingly its programme has appealed to the Government. We have appealed to the Government to move. From the refusal of the Government to move we must appeal to the electors who are the masters of the Government and ask them to elect members at the next election, members who are pledged to give their vote to this great Reform. Will the electors of this province do their duty to themselves and to their province on this vital matter? I believe they will."