

Mr. Harcourt next quoted an editorial from *The Weekly Sun* expressing the opinion that while the bill did not make a systematic attempt to remove the inequalities in taxation which exist in Ontario, its general provisions were in the right direction and would meet with approval. It was to be regretted that some writers had sought to give the impression that the resolutions in their working were calculated to do an act of injustice to Toronto, and that the accusation had even been made that the city was being robbed. If this bill was good for the Province as a whole no intelligent ratepayer of Toronto would raise his voice against its provisions. So far as Mr. Harcourt's experience went Toronto had been fairly dealt with, and he had yet to learn of a single case in which the interests of this great city had been discriminated against either by a committee of the House or the Legislature itself. It was not a patriotic argument to say that Toronto was being injured, but if such an argument were advanced Mr. Harcourt could show abundantly from the records that the city had been the most favored municipality in the Province. Last year and the year before direct money grants to the amount of more than \$100,000 were given by the Legislature to schools and hospitals and for the administration of justice in Toronto. If it were necessary to make calculations based upon the indirect advantages which accrued to the city by reason of its being the seat of legislation and of learning, and because of the central courts of justice being held here, all would agree that Toronto had been a favored municipality. Mr. Harcourt, however, took the ground that the city was not injured by a single provision of the present bill.

#### Taxes Paid Elsewhere.

Last year New York State derived \$330,828 from insurance corporations; Pennsylvania, \$634,888; Illinois, \$164,000; Ohio, \$99,400, and Massachusetts, \$587,000.

As to banks, the following taxes were paid for doing business in New York State last year:—Bank of British North America, \$8,750; Canadian Bank of Commerce, \$8,265; Merchants' Bank, \$2,500; Bank of Montreal, \$28,789. The latter sum was 60 per cent. of all the receipts which would accrue to Ontario under the banking portion of the new schedule.

New York State received from the N. Y. C. & Hudson River Railway \$243,726, and from the Manhattan, \$116,837. The Royal Insurance Co. of England paid \$4,179 simply for the privilege of doing business last year in the State of New York, while the Commercial Union paid \$2,534.

#### The Changes Made.

Proceeding to explain the changes made in the bill, Mr. Harcourt pointed out that the one in regard to banks was important. It was provided that each bank should pay one-tenth of one per cent. on its paid up capital stock, but when the paid-up capital stock exceeded \$6,000,000 such excess was exempted from the provisions of the bill. Under the assessment act banks only paid a tax on real estate and were not taxed on their personality. That must be borne in

mind in discussing these resolutions and the principle of this bill. Last year there were 37 banks which did business in Canada, on a capital exceeding \$63,000,000, and they paid an average dividend on that capital of considerably over 7 per cent. These facts spoke with the greatest emphasis of the stability of the foundations of the banks and the confidence reposed by the public in the management of the institutions, and the Government were glad to be able to convince the electors that the provision in the bill before the House relating to banks would not appreciably affect their earning power or the dividend which they might issue.

#### Insurance Companies.

There was a change also in the clause relating to insurance companies other than life. It might be asked, why change the system of taxation? Why not apply the same principle to insurance companies that was applied to the banks? He would show how impossible that was. Some of the United States life companies had no capital at all. The Equitable Life of New York did a tremendous business, but had a capital of only \$100,000. In Canada some of the companies had little or no paid-up capital. The Ontario Mutual Life had none. The Canada Life had a very small capital when the tremendous volume of business which had been rolled up by that phenomenally successful company was considered. Then as to fire companies, the paid-up capital could not be applied to them as a basis, because some very large British companies were not corporations having capital stocks; they were in the nature of co-partnership concerns. Several very important companies came under that clause, among them the Liverpool & London & Globe, the Phoenix of London, the Guardian Fire and Life, the Atlas and the Caledonia. Taking these two classes into consideration, it was therefore apparent that the one basis of taxation could not with mathematical precision be applied to all the companies affected. Accordingly the tax was imposed on the gross premiums. The argument might be advanced that the tax should apply to net earnings and not gross premiums, but the former could not be adopted as a basis. No two Judges scarcely had as yet agreed in the definition of net earnings. It had been said tritely that a schoolboy can define gross earnings, and that the Judges of the land fail to agree as to what net earnings are. To take net earnings as a basis would be a very confusing and very intricate mode of taxation, and would yield less revenue than by the other method.

#### Trust Companies.

A change had been decided upon in regard to trust companies. It was provided that the sum of \$250 should be imposed where the paid-up capital was \$100,000 or less, and \$65 on every additional \$100,000 or less of paid-up capital. It was thought, however, that these provisions might not reach the case of some larger concerns which had been in business for a considerable time, and the business of which had been profit-