

able. Accordingly it was proposed that where the gross profits of any trust company amounted to \$25,000 or over, such company should pay a further sum of \$500 per annum. It was thought by such a threefold provision the burden of taxation would be equitably distributed in the case of trust companies.

Coming to the loan companies, there was no change that needed comment. It might be, however, that there were certain exceptional cases which would require the bill to be amended in regard to loan companies, and amendments would be framed to meet those exceptional cases.

In the case of telephone companies, a reduction in the tax proposed had been made from one-sixth to one-eighth of one per cent. A tax of one-tenth of one per cent. was proposed on gas and electric lighting companies, but this would not apply to electric works or gas works owned and operated by a municipality for domestic purposes.

A specific tax was imposed upon express companies and natural gas companies. Speaking for himself, Mr. Harcourt did not like the idea of such a tax, and would have preferred a percentage rate, had it been possible to satisfactorily arrive at the proper data for the purpose. It was said that the total capital of parlor car companies was \$10,250,000, but only a small portion of that capital was used in Ontario. The companies interested claimed that they had 2,400 cars in use on the continent, but only fifteen cars were used in this Province. Each of the cars, it was said, cost \$10,000, and under all the circumstances it was thought that a tax of one-third of one per cent. on the capital used in Ontario would be a reasonable one.

#### Assessment Question.

Mr. Harcourt then discussed the position of trolley companies and electric light, telephone and telegraph companies in regard to municipal assessment. He pointed out that under a legal decision these companies were assessed at one-eighth of the value of their street plant, that street plant being considered real estate. This bill provided that the companies in question should be as they were on February 1 for assessment purposes. That being so, it could not be said that under this bill the Government were depriving the city of the right to tax these companies as going concerns; the latter was deprived of the right under a judicial decision. There was therefore in that regard no robbery of Toronto. It might be urged even by those who did not disapprove of the principle of the bill that it did not bear with exact evenness on those who under its provisions would contribute to the revenue. In reply to that he had to repeat his former statement that no Parliament in any country had succeeded in devising a bill the provisions of which bore with exact evenness on the people who bore the burdens. Therefore, if it were shown that the bill in this case was moderate, and that its provisions were based upon justice and equity, surely that was all that reasonable men could ask. No doubt the assessment laws of Ontario contained inconsistencies and anomalies; but if he could show that in the case of this city, where men of experience administered the assessment law, the basis

of taxation was not equitable he might be deemed to have made out a strong case for his views. Let him illustrate what he meant. The British American Company had very creditable buildings in the city. It paid a large realty tax to Toronto, and also paid \$892 for income. The Western paid \$1,700. On the other hand, the great English company, the Royal, doing a great volume of business in the city, did not pay any realty tax, and all it paid for income was \$85. The Commercial Union paid only \$68, the North British \$88, the Liverpool & London & Globe \$51, Alliance only \$51 and the Sun Insurance of London only \$34, as against the \$1,700 paid by the Western—a home company which had large real estate holdings in the city and was subject to a realty tax as well as a tax on its real estate. There were eight or ten other foreign companies he might name which did not contribute anything on real estate in the city. So that so far as the system of assessment in Toronto was concerned there appeared to be unintentional discrimination in favor of the foreign companies and against the home companies.

Mr. Harcourt gave an estimate of the amount he expected to receive under the revised schedule of taxes, the total being \$314,906. This included \$91,000 to be derived from liquor licenses, and \$41,000, the approximate amount expected from natural gas, express and parlor car companies. In bespeaking consideration for the resolutions, Mr. Harcourt reminded the House that the measures announced by the Government had given widespread satisfaction in the country, and asked members not to take the ground that there was any antagonism of interest between any one city in the Province or any rural municipality.

#### The Principal is All Right.

Mr. Matheson commenced his reply by reading a telegraphic despatch from Stratford stating that the re-count of

votes in the South Perth election had given the seat to Mr. Monteith, the Conservative candidate, by a majority of eight. This, he declared, was the result of the first test in a Reform riding of the policy which has brought about direct taxation. Respecting the proposed taxation, he would not give any captious criticism to the schedule which had been submitted; if taxation is necessary it is possible that the direction which it has taken may be the right one, but there is not, he contended, any necessity whatever for direct taxation. The proper course for the Government to pursue under the existing circumstances was not to impose fresh taxation, but to reduce the expenditure within the income which the Government has already obtained. The reason assigned for this new taxation was the falling off in revenue of the Crown Lands Department because of the regulations prohibiting the export of logs cut on the Crown lands, but this was no excuse for imposing \$300,000 of taxation. The estimated revenue for 1899 from this source was \$650,000, while last year the revenue from woods and forests was only \$750,000. But he denied that there is a reduced cut of logs this year, and quoted from an interview with Mr. Hennessy, a representative lumberman, who declared that there is no need for