

DISPUTE RIGHT OF CORPORATION TO TAX INCOME

At Least \$145,000 at Stake in City's Assessment of Two Companies.

Right of the city to collect income tax from two holding companies was challenged before the Court of Revision on Thursday evening when appeals against assessment of Ottawa Light, Heat and Power Company, and Ottawa Traction, Limited, each for three years were heard. The city has at least \$145,000 in taxes at stake. The court reserved decision.

To Correct Oversight. It appeared the city found out a year ago that both these holding companies had not been assessed for income tax, and also were not assessed for business taxes. The law permitted assessment for three back years.



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Power Company, is the holding company for Ottawa Electric Company and Ottawa Gas Company. Ottawa Traction, Limited, has been the holding company for Ottawa Electric Railway Company but now is being wound up.

Although the provincial income tax was substituted for the old municipal income tax it was only in the case of personal incomes. The city still assesses corporations for income where there is no business assessment.

Claims By City.

The claim of the city against Ottawa Light, Heat and Power Company is for \$24,936.16 taxes payable in 1935 on income of \$677,613 in 1933 assessed in 1934; \$27,811.41 taxes payable in 1936 on income of \$713,113 in 1934, assessed in 1935; \$26,741.17 taxes payable in 1937 for income of \$736,953 in 1935, assessable in 1936; and in addition there roughly would be \$27,000 in taxes for 1938 on income of \$714,980 in 1936. The total is \$108,489.

The city also claims from Ottawa Traction, Limited, \$8,890.58 taxes on 1933 income of \$241,592; \$9,422.09 taxes on 1934 income of \$241,592; \$9,363.59 on 1935 income of \$240,082; and there would be about \$9,300 on 1936 income, perhaps slightly more.

Argument By Counsel.

In appealing the assessments, Redmond Quain, K.C., for both companies contended the companies should be assessable for business tax, that this meant the city could not collect income tax. Against this, Gordon C. Medcalf, assistant city solicitor, argued business tax could only be collected on premises exclusively occupied for the business or profession. The premises occupied by the two companies formed a small part of offices devoted to the business of the subsidiary companies.

Mr. Quain called F. W. Fee, secretary of the power company, and G. L. Snelling, secretary of the traction company, to show the amount of business done for the holding companies in handling the interests of shareholders and bondholders. He told the court the power company already had applied to be assessed for business tax.

Under the franchise agreement with the city Mr. Quain said the street railway company was exempted from income tax and he did not see how the traction company, as the holding concern, could be subject to income tax when that company's income was the dividends paid on street railway company stock. Further, the street railway company also was exempted from business tax.

Chairman's View. Chairman J. A. Robertson, K.C., said: "I am inclined to agree with you that you should be assessed for business tax," but he added the case required careful consideration.

Mr. Quain remarked if the Light, Heat and Power company was found assessable for income tax it would be an easy matter to avoid this by establishing the head

Viscount Cecil Lauds Roosevelt

LONDON, Dec. 16.—(C.P. Press.)—Viscount Cecil of Chelwood, 1937 Nobel peace prize winner, tonight paid tribute to President Roosevelt as a "profound and devoted believer in peace". Viscount Cecil, speaking at a dinner in his honor, said: "He (Roosevelt) faces life with a complete and serene confidence and cheerfulness. It is impossible not to admire his deep feeling for people less fortunate than himself, and his personal charm and marvelous energy, have given him a position which is absolutely unique in this world."

office in Hull. The company did not want to do that, but wished the issue to be settled in a friendly way.

Another appeal heard was against the property assessment on the Capital Brewing Company, Limited, buildings on Wellington street. The assessment is \$121,500. J. P. Ebbs, K.C., with W. E. Noffke, architect, and James N. Smith, managing director of the company, appeared. The court was informed the main building was erected in 1930 at a cost of \$137,842 but allowing for the years of depreciation and considering lower cost of building now, Mr. Noffke contended the assessable value would be \$113,332. C. Maxwell Taylor, city building assessor, put in figures to show the present value was \$124,507. He also stated that Dominion Bureau of Statistics figures showed building costs actually 5.4 percent higher now than in 1930. Mr. Noffke said he did not go by that. His estimate was on the finished product, the Bureau figures largely based on materials. No decision was given.

The court confirmed assessment of \$194,800 on four water lots at the Chaudiere owned by the Ottawa Electric Railway Company. With Mr. Robertson, there were Frank E. Ault and J. A. N. Mercier, members of the Court, present, also Assessment Commissioner MacDonald, P. B. Whitney, secretary; W. M. Salter, I. Seguin and L. M. Wright, assessors.

Board Approves Additional Relief Sewers

Expenditures to Complete \$350,000 Program Allowed by Province.

On Thursday, Board of Control approved recommendations by Commissioner of Works Askwith for the construction of additional storm sewers, for which the aggregate estimated cost is \$79,020.

Location of Sewers. The new sewers will be located as follows: Bronson avenue, Arlington to Imperial, \$14,330; Percy street, Arlington to Catherine, and on Catherine street, Percy to Bronson, \$15,920; Henderson avenue, Templeton to Mann, and on Mann avenue, Henderson to Nicholas, \$12,690; Bayview road, Slidell to Stonehurst, \$3,220; Grange avenue, Scott street south, \$3,930; Caroline avenue, Scott to Spencer, \$9,310; Water street, King Edward easterly, \$2,270; Stewart street, Chapel to Friel, \$1,100; Waller to Cumberland and Augusta to Cobourg, \$10,480; Daly avenue, King Edward to Nelson, \$3,560; Wilbrod street, Nelson to Friel, \$3,310.

Previously the Board had approved relief sewers on Electric street—Chamagne avenue and completion of the Scott street sewer, for a total of \$108,910, making the estimated cost of these two programs, \$187,930. This is the balance of the \$350,000 which the Ontario Municipal Board authorized to be spent in 1937 and 1938.

Weigh Scale Machines. On the motion of Controller Geldert, the Board ordered that ticket machines for recording of coal weighing at the city scales be placed at all scales. Trial has been given a machine at one scale. Several coal merchants wrote complaining that the new slips which are made out on the machines take more time than slips made by the weighmasters. They stated they lost several loads a day as a result.

Dr. Geldert said the machine system was "the last word in protection for the consumer," and the Board agreed with him that all scales should be equipped with the machines. Further, it was resolved to rotate the weighmasters. Controller Bourque felt this should be done, and Dr. Geldert said it had been suggested long ago, but was not adopted because objections were raised. The Board felt the change desirable and ordered it to be made effective in the new year.

T. A. Hand, market inspector, forwarded copies of reports on the city scales, made after inspection on November 24 by J. P. Dunn, one of the inspectors of the weights and measures branch, Department of Trade and Commerce. At that time all scales except No. 6 on Mann avenue had been passed. Since then No. 6 had been put in proper condition.

The Board agreed to renewal of the arrangement with M. Landreville to provide ambulance service for indigents, at a rate of \$85 per month, and will invite tenders from local funeral directors for burial of indigents in 1938.

CONSCIENCE MONEY. Department of Finance acknowledges receipt of \$10 "conscience money" enclosed in an envelope addressed "Receiver General of Canada, East Block, Wellington street, Ottawa" postmarked "Ottawa, Ont., Dec. 14, 1937, 6 p.m."

Geldert Favors Civic Service Reclassification

But Board of Control Approves Additional Promotions and Permanent Appointments.

Additional promotions in the civic service were approved by Board of Control on Thursday but not until Controller Geldert asserted there should be general reclassification of all departments with salaries set for the kind of work performed and no change from such salaries to be allowed.

The controller criticized the adoption of scattered recommendations from departmental heads, taking the stand that some heads were more active in the interests of employees than others and that because of this a number of injustices were done.

Three Treasury Employees.

The promotions were three in the treasury department, recommended by Commissioner of Finance G. P. Gordon, M. H. Chapman, J. W. Goodman and W. C. Cunningham, who have been at their maximum salaries of \$1,600 for grade 2 clerks, for some years, were promoted to grade 3 clerks, salary range \$1,700 to \$2,000. In addition, V. F. Courtemanche, who has been paymaster since 1928 but through some oversight never had been made permanent by bylaw, is to be made permanent now at \$2,600. The salary remains the same as he has been receiving, \$200 of it paid by the relief department because Mr. Courtemanche handles the relief scrip.

Mr. Gordon pointed out Mr. Courtemanche was appointed in 1928 at \$2,400 a year while his predecessor as paymaster was paid \$3,000 per annum.

"This case should have been dealt with years ago," declared Mayor Lewis, Controller Dunbar agreeing with him. The changes were approved on motion of Mr. Dunbar, seconded by Controller Bourque.

Dr. Geldert said he was not against paying fair salaries to city employees but he felt a lot of trouble would be avoided by having definite rates set for work done. He was not advocating a cut in salaries for present employees.

Dunbar's Stand. Mr. Dunbar said reclassification might well mean salary reductions. He took the stand the better a man was paid the happier he would be, and the better service he would give. Re-classification had been talked of 10 years ago but nothing came of it. A report was made but not acted upon. Since reclassification seemed impossible for the whole service at one time, it was better to have departmental changes than nothing at all. Ottawa did not want to see repeated in the civic service what had happened in the Government Printing Bureau some years ago when the Griffenhagen shake-up took place.

Mr. Dunbar reminded Dr. Geldert that increases for the water works department had been approved before the civic elections. (Dr. Geldert is controller supervising that department.) There had been constant criticism of the engineering department during election campaigns for many years. Nothing was heard about it in the recent campaign because the public were satisfied the department was efficiently staffed. This had come through engaging competent engineers and paying them decent salaries.

Not Asking Recommendations. Dr. Geldert insisted other departmental heads should be asked for recommendations, but Mayor Lewis said the Board was doing no such thing. They would deal with recommendations as made, strictly on the merits of each case.

However, the controller asked W. E. MacDonald, water works engineer, who was present, if there were others in his department who should be considered. Mr. MacDonald reminded the Board no action had been taken on recommendations made last May to promote W. A. Featherston, from grade 3 clerk to secretary of the department at \$2,200 to \$2,400, and the promotion of a stenographer. These recommendations then were brought from the files, and the

Lay Cornerstone Of New Industry

WERN TAW, Wales, Dec. 16.—(P.)—The Earl of Dunraven today laid the cornerstone of the first unit of a new industry planned to employ thousands of Welsh miners jobs since 1920. A \$500,000 (\$3,000,000) plant will make oil and other by-products from coal dug from the long idle mines. From 500 to 750 tons of coal daily will be used in making, among other things, gasoline for the Royal Air Force. The Government and a trust fund created by Lord Nuffield furnished half the capital and private interests the rest.

Board approved them, effective January 1.

New Appointment.

Also on the recommendation of the water works engineer, R. H. McCabe, of Toronto, was appointed electrical engineer and night superintendent of the water purification plant at Lemieux Island, at a salary of \$2,200 to \$2,600 maximum. He filled the vacancy due to resignation of Phil. Roy. Mr. MacDonald said there had been five applications from persons qualified by having graduated in electrical engineering from a recognized university and having practical experience. None was Ottawa men.

Mr. Dunbar recalled that G. J. Desbarats, president of the Engineering Institute of Canada, had returned from a tour of Canada and reported there was no unemployment of engineers. Mr. MacDonald added that he had written to the registrar of Queen's University and had been informed not one graduate in electrical engineering was at present unemployed.

On the recommendation of the commissioner of works, 16 men in the engineering department, all in the service for some time, were made permanent. Nine of the men were in the mechanical branch, and seven in the scavenging branch.

Two Controllers Share Cost

Bourque and Dunbar Aid in Burial of Relief Mother.

Burial here of a former Ottawa resident who died in an out-of-town institution was made possible through Controllers Bourque and Dunbar. It was learned Thursday. While there is provision for burial of indigents at the city's expense there is none for the transportation of bodies back to this city. The controllers shared the cost of transportation in this case, the mother of a large family.

Extend Greetings To French Group

New Junior Board of Trade Has First Dinner.

Assurance of co-operation was conveyed to the newly-formed French Junior Board of Trade at its first dinner held on Thursday evening at the Chateau Laurier by presidents of the Ottawa and Hull Senior and Junior Boards of Trade.

Hormidas Beaulieu, president of L'Institut Canadien Français, stated that in his report last September to that organization, he had broached the subject of a French Junior Board of Trade. The institute would always be happy to co-operate with the new Board of Trade.

Since there was no French Senior Board of Trade, the Junior Board should include in its membership older men and thereby benefit by their experience. It was necessary for members to act in harmony if they wished to achieve success and he warned them against allowing their enthusiasm to overshadow common sense.

Mr. Beaulieu commended the French-speaking young people upon their zeal in forming a board of trade, especially during a time when French-Canadian trade and commerce were at a low ebb. The formation of such a board would be the beginning of a new era, he

stated, and recalled the fact that there was a time when the French-Canadian had achieved as much financial success as his English-speaking brother.

The speaker was introduced by Louis Charbonneau, president of St. Jean Baptist Society, and thanked by Lionel Choquette.

J. Albert Menard, president of the new Junior Board expressed readiness to co-operate with other Boards of Trade.

J. Albert Pinard, M.P. for East Ottawa, hoped that on its first anniversary banquet membership would be at least doubled.

Controller E. A. Bourque declared a French Board of Trade had been needed in Ottawa for a long time.

Frederick Honeywell, K.C., president of the Ottawa Board of Trade, brought a message of goodwill and believed there was a field for a French Junior Board of Trade. He advised them not to become involved in politics if they wished to succeed.

Rudolphe Gratton, president of the Hull Board of Trade declared there was no better medium to establish goodwill between the two cities than through such organizations.

Greetings also were extended by Eric Cameron and Rene Roger, presidents of the Ottawa and Hull Junior Boards of Trade.

Paying \$300 To Extend Park

N. F. Ballantyne Defraying Part of \$1,200 Cost.

Norman F. Ballantyne waited on Board of Control on Thursday and offered to contribute \$300 towards purchase of the Gora property near the corner of Main street and Hawthorne avenue, so that this property could be included in Ballantyne Park.

Mr. Ballantyne said he had been offered the property for \$1,200 cash. He suggested the city pay the remaining \$900 from the trust fund established by the Ballantyne family for care of the park which the family gave to the city some years ago.

Mayor Lewis and other members of the Board thanked Mr. Ballantyne, warmly praising his public spirit and decided to make the purchase. There has been agitation for some years for the city to obtain the property in question to improve the park at the east end.

Renounces U.S. Citizenship

Former "Babs" Hutton Becomes Subject of Denmark.

NEW YORK, Dec. 16.—(P.)—Countess Barbara Haugwitz-Reventlow, who as plain "Babs" Hutton inherited some \$20,000,000 of the great fortune founded by F. W. Woolworth, the five-and-10-cent store man, has renounced her United States citizenship to become a subject of Denmark.

Announcement of her action was made late today by the law firm of White and Case, which explained it was done to avoid legal complications.

The countess, who is 27 years married in May, 1935, in Reno to Danish Count Court Haugwitz-Reventlow.

It was all done quickly and by nightfall the countess, who arrived unheralded from Europe Tuesday, was back on the North German-Lloyd liner, Europa, which had brought her here, to sail back to London, her husband, her son, and the great house they own there.

For Christmas

★ Seek no more, Milady. Just bend your steps to our doors and relax. Once you've entered here your gift worries for your men folk are forgotten. Whether it's Dad or Brother, Hubby or Nephew, we've the furnishings that look well on the Christmas Tree and better on the Christmas "Male". Drop in today.

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Dressing Gowns With his admiration for your tact, generosity and good taste—give him a Kritsch dressing gown. Flannels and 5.95 Other dressing gowns to \$17.50. Smoking jackets \$3.50 to \$9.50.	Gift Shirts Unless he is different from most men, he needs shirts—and these smart shirts make practical but exciting gifts. 1.00 Other shirts to 3.50.	Men's Ties A grand selection of the kind of neckties a man will like to wear. You can choose with your eyes closed and make 50c Other Ties to 1.50.	Boys' Aero Caps A popular leather cap by Bob Morris. Boys like 'em for looks, mothers for the protection they offer on cold winter days. 1.25, 1.95	Boys' Shirts "Little Prince" shirts that are "just like dad's" in style and pattern. Sure to please that boy. 95c "Little Prince" Blouses, 65c.	Boys' Sweaters All wool sweaters in V-neck, zipper and polo collar styles. A nice selection of colors and designs. Sizes 24 to 34. 1.00 Other Sweaters to \$1.95.
Boys' Hockey Sets Consisting of toque, sweater and stockings in colors of Ottawa Senators, Montreal Maroons, Canadiens and Toronto Maple Leafs. 3.95 A real gift!	Horsehide Mitts Long wearing 45c Other Mitts at 15c.	Boys' Gift Items Golf Hose 30c, 75c Smart Ties 35c Tie and Belt Sets 35c Study Braces 35c Windbreakers 1.35 to 3.55 Leather Coats 11.50 Navy Mackinaws 3.35, 11.50 Coats 3.35, 11.50			

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