

market value. The revenues from such taxes are used generally to pay for street maintenance, schools, police and fire protection, snow removal in certain communities and other community services; in New Brunswick the municipal levy is used only for property service. Special levies are sometimes made on the basis of street frontage to pay for local improvements to the property such as sidewalks, roads and sewers. Not only is there a widespread difference in the bases used for property tax but there is also a wide variety of rates applied, depending on the municipality.

In addition to the taxes described above, municipalities usually impose a charge for the water consumption of each property holder or a water tax based upon the rental value of the property occupied. There are no municipal income taxes although certain localities have retained the use of a poll tax. In Newfoundland, Quebec and Saskatchewan, municipalities are empowered to levy an amusement tax on the admission of persons to places of entertainment, although the amusement tax is generally a provincial preserve (see p. 1020). Electricity and gas are taxed at the consumer level in some western municipalities and in some New Brunswick municipalities, and coal and fuel oil for heating purposes are chargeable in urban areas of Newfoundland. Telephone subscribers are subject to a special levy in Montreal and certain Ontario municipalities impose a tax on the gross receipts of telephone companies.

In most municipalities, a tax is levied directly on the tenant or the operator of a business. In general, business tax rates are lower than those applying to property. Three bases of assessment are in use—a fraction of the property assessment, the annual rental value of the premises, or the area of the premises. Certain municipalities may charge a licence fee instead of a business tax but others charge both a licence fee and a business tax.

Subsection 4.—Miscellaneous Levies

These are not generally referred to as taxes but they are similar to taxes in many ways.

Unemployment Insurance

A national program of unemployment insurance operates in Canada. Essentially, it provides relief to those qualified persons who temporarily find themselves without work. It is administered by a federal commission appointed for this purpose and financed by equal contributions from employers and employees plus a contribution from the Federal Government. The amount paid into the fund by employee and employer is directly proportional to the weekly wages of the employee. The rates of contributions, together with statistics on the operation of the program, are given at pp. 781-785.

Workmen's Compensation

Legislation in force in all provinces provides compensation for personal injury suffered by workmen as a result of industrial accidents. In general, these provincial statutes establish an accident fund administered by a Board to which employers are required to contribute at a rate proportional with the hazards of the industry. See also pp. 785-787.

Hospital Insurance

A federal-provincial hospital insurance plan has been adopted by each of the ten Canadian provinces. Under this arrangement, the Federal Government pays approximately one half of the cost of hospitalization for patients who are participants under the plan. The provinces meet the remainder of the cost. Provincial revenues for this purpose are raised by various means. The Province of Quebec has increased its personal and corporation income tax. Certain provinces require the deduction of a monthly premium from the wages of their residents as a contribution or premium for the plan. In such