BILL TO TAX DEBTS.

Interesting Debate on a Financial Subject in the House.

ROUTINE BUSINESS IN THE COUNCIL.

The Discussion of Varian's Bill to Tax Debts Secured by Mortgages, Continued in the House Today.

After the close of the NEWS' report yesterday, H. B. 19, amending the present law relating to the platting and laying out of towns, came up on third reading. Its object is to allow plats made in town limits, and in the farming districts, to be relegated to agricultural use, if the owners so desire.

Consideration of this bill was interrupted by the arrival of the hour fixed for consideration of the mortgage tax bill. Sears asked that the latter bill be made special order for next Wednesday. He had written to San Francisco for data and desired time to prepare to discuss the bill.

Varian, author of the bill, opposed delay. He said this was not a bill to tax mortgages, but to tax debts secured by mortgages. The bill was a proposition to enact what had been, up to two years ago, the law of the Territory for twenty years. Sears said the bill was regarded by business men and financiers as a dangerous measure, and urged delay.

Allen said this bill involved the question, shall a certain kind of property in this Territory bear its share of the burden of government? He thought the House was as well prepared to discuss this question now as it would be in a week hence. The House votes against delay.

The bill is as follows:

Section 1. All notes, bonds and other obligations, secured by trust deed or mortgage upon or given upon land or any other property, or by other personal property, or by each other, the notes, bonds and any agreement, or promises in any form made by the debtor to the creditor or indirectly pay or discharge the mortgage or trust deed, shall be taxable at the rate of one dollar, shall be taxable and shall not be exempt in any form in this Territory, provided, the provisions of this act shall not apply to mortgages or contracts or mortgages.

Sec. 2. During January in each year county assessors of the several counties shall furnish the respective assessors with a complete schedule of all mortgages and trust deeds containing mortgages or contracts which the recorder shall receive and vote for each mortgage or trust deed or contract, both of the assessor and by the county and half out of the Territorial county. The auditor of Public accounts shall then warrant in favor of the treasurer of the Territory a proportion of the amount upon proof of delivery of the vouchers and receipt. All indebtedness secured by the mortgages and trust deeds are exempted when the amount so to be not exceed, the amount provided.

Sec. 3. An act entitled "An act to amend section 2600 of the Compiled Laws of 1888, relating to the exemption from taxation of mortgages and trust deeds, and repealing chapter 41 of the Session Laws 1890," approved March 16, 1892, is hereby repealed, and this act shall take effect upon approval.

Varian opened the debate by saying he could not compress his argument in ten minutes, and he desired unanimous consent to take more time. He said this bill had been strenuously recommended in the public press with another which proposed to tax foreign capital, whereas the present one aimed at nothing of the kind. This bill repealed solvent debts and credits, owned by resident citizens of the Territory, or property which ought to be taxed. The proper standpoint from which to view the question was that of creditor, not of the borrower nor of the lender. The state must help revenue of it (patriot cable), and revenue by two sources only, land and mortgages. They ought, however, to lay their burdens on all property with as great a degree of equity as possible. Not more than 15 per cent of the property of this country is in land (see Report), 85 per cent of it being in the form of notes, bonds, etc. It was held by some that when a debt was created on new property was brought into existence, but the speaker denied the proposition. Debts were the representation of value to pay, and was valuable to a man. Up to two years ago the Legislature of this Territory had held that credit was taxable property. Under the present law a man who holds a $10,000 note without security, must pay a tax on it, but the man who owns a $10,000 note secured by a mortgage on real estate, pays no tax on it. The speaker viewed on the injustice of the discrimination. He contended that taxing a solvent debt secured by a mortgage was not double taxation. The question had been considered by nearly every constitutional convention ever held in this country, and by the courts of most of the states, and there was only one dissent from the view that credits, secured or unsecured, were taxable. The supreme court of California had decided that taxing mortgages was double taxation, but the people reversed that decision when the constitution of 1879 was adopted, for they incorporated in it a clause to the contrary. The common law for ages had spoken of both corporeal and incorporeal property. The speaker read from decisions of courts in Alabama and Louisiana supporting his position. He said the Legislature took on one of the two things it it would be fair with the people: It must tax all credits or it must tax none, regardless of their being secured by mortgage. The threat was made if the bill passed, money or bonds would not lend. He denied that it was a money lending to this threat. If security were offered, money could be borrowed, and questions of taxation and of interest were self-adjusting. This Territory was about to assume the mature years of statehood, and its legislature would have to determine where to place the burdens of taxation. The Assembly would have to confront the question at its present session, not of borrowing, but of how much to borrow. The speaker deprecated having such legislation as this bill disposed of by stock brokers and commission agents, and closed by asserting that the bill was not one in tax mortgages, but to restore to the taxing powers of the sovereignty a class of property which had been unjustly exclusted therefrom.

Hubbard proposed to treat the subject from a practical standpoint. If the bill would add to the burdens of the poor, he would oppose it. He read from the report of the board of equalization rendered in 1892, showing that the was the effect of the old law which this bill re-enacts. He also read a statement made by W. J. Lyons, assessor for Salt Lake county, showing the difficulty and expense of collecting the old tax, and that the cost exceeded the results. The promoters of the bill cast the borrower should not pay the tax would, the speaker thought, cause an increase in the rate of interest. Home capital would evade the law by being loaned in this Territory in the name of some agent residing in another state, and additional difficulties and burdens would be placed upon the home borrower by the passage of this bill.

At the close of Hubbard's remarks Sears said he would one to be heard on the bill, and the house adjourned with the understanding that the debate would be continued today.

COUNCIL.

After the close of the NEWS' report yesterday the following bills passed their second reading: C. B. 64, to unite the University and Agricultural College; C. B. 81, relating to the assessing of irrigation lands; C. B. 89, relating to leasing school lands; C. B. 59, relating to the registration of voters; H. B. 54, relating to attorneys; H. B. 24, to establish free employment agencies; C. B. 40, relating to the duties and powers of mayors.

H. B. 12 and C. B. 3, which are substantially the same in substance, and prohibit attorneys from borrowing satchels, were then taken up. H. B. passed after being amended so as to provide that an attorney connected with the case could not become surety.

Adjourned.

HOUSE.

The entire time of the House, after the close of the NEWS, report was taken up by the debate on Varian's bill to tax debts secured by mortgages, a synopsis of which is given above.

TODAY'S PROCEEDINGS.

COUNCIL.

The Wasatch Mineral Water Co. presented a case of mineral water, which was accepted.

The committee on ways and means recommended that the petition of the Utah county court be referred to the committee on fish and game. Adopted.

H. B. 85, relating to assessment, was reported favorably by the committee.

Committee on claims recommended that the claim of J. S. Rolfe be referred, also that the claim of James Kirkbride be referred.

The bills were read for the first time of the following bills: C. B. 101, Bill Creek Water Company; H. B. 86, relating to assessment of property; H. B. 87, relating to the duties of county assessors; H. B. 88