pointed out that the retail merchants were not there owing to the fact that they were not then organized. The commission recommended the rental tax as imposed in 1907, except that the rate was fixed at six and two-thirds per cent. of the annual rental value, being a tax equal to one-fifteenth of the rental value for the year.

The retailers soon discovered the business tax was a direct discrimination against them because they occupied premises along the front streets where the rents were highest and they found upon investigation that the other business interests and the professions were escaping their proper share of the tax so collected. In 1911 a strong movement was commenced to have this unfair tax abolished. Delegations of merchants appeared before the city council and although the council admitted that there was a great injustice being done, yet no action was taken to provide a remedy. The agitation continued. Conferences were held with the board of control and the city legislature committee. In 1915, the retailers decided to ask for relief through the adoption of a scale of percentages to apply to rental values similar to the scale which applies to premises in the Ontario act. The city council finally took action on October 16th, 1916, when they requested the board of valuation and revision of the city of Winnipeg to hold public sessions at which all persons interested or affected might give evidence or information on methods of taxation which might be considered as applicable or appropriate for adoption in the city of Winnipeg, and to obtain such further information as might be considered advisable and that the board of control be instructed to provide the necessary funds. Meetings were held in the schools of the city, 17 in all, the retail merchants and others presented their views. On June 25th, 1917, the board of valuation and revision made its report to the city council after the members had visited many cities and interviewed the leading tax experts on this continent. In their report, they say: "This commission recommends that the business tax be abandoned. Your commissioners recommend that a system of income tax be forthwith adopted in place of the business tax."

Mr. Melsted submitted numerous figures to show the injustice imposed upon retailers under the present system and made a strong plea for the introduction of a tax based upon incomes. He said that the proper system would be to get the main revenue from a tax on real property assessed uniformly according to value supplemented by a tax on the incomes of individuals, firms and corporations progressively according to ability to pay, with reasonable exemptions for individuals, based on the cost of living. He suggested a permanent tax commission for Manitoba from the standpoint of efficiency.

Property Taxes Too High

Particulars of the decreasing of the value of heavily improved city property was given to the commission by local business men. One large city business block, it was claimed, was unable to pay for its operation with the present high taxation and high cost of upkeep. One prominent builder stated that he would not build another building in the city with the present cost as he would never derive any income from it. Mention was made of different buildings throughout the city, whether business or dwelling houses, which, it was claimed, were costing their owners more than they were able to provide.

The city of Winnipeg can never become any greater than at present with the present system of taxation, according to N. T. MacMillan. High wages and high cost of building material have increased building costs by over fifty per cent. he said. Contractors cannot build if the cost is prohibitive, with the result that without new buildings the city would remain at its present size. By the lessening of taxation on real estate, argued Mr. MacMillan, the cost of home-building will be reduced.

B. W. Thompson also gave his views, strongly advocating income taxation by the province. By the provincial application of such a tax, present municipal taxes could be taken over by the province, including school taxes, he argued. Mr. Thompson strongly denounced the application of the income tax system to the city alone, arguing that it would be unfair. Residents outside the city limits could still avail themselves of the city benefits without paying for them.

Single Tax on Land

Single tax methods of taxation were also advocated before the commission on March 12th, by D. W. Buchanan and Hugh McKenzie, representing the Single Tax league of western Canada. The abolition of all present systems in force and taxation by a single tax on all vacant lands, the tax being based on the rental value of the land, was the system advocated. They proposed that taxation on present vacant lands should be increased by 100 per cent. This, he claimed, would enable the cities to reduce their taxation on buildings by 10 per cent. yearly until it ceases to exist. The value of land is made by the community and not by the individual; lands held for speculation should, therefore, be taxed heavily.

Drastic changes in municipal government were suggested by R. H. Shanks, of Winnipeg's board of valuation, on the same day. There are too many municipal governments by far, he says. In the old days it was all right, because of the slow method of travel in rural areas, but with the advent of the auto many of the sparsely settled areas could be united and one set of officials do the work which was now distributed among probably a dozen. Mr. Shanks said he had no slur to make on the rural councillors; it was simply the overlapping of government he was criticizing.

He urged that land speculation had been too harshly hit by taxation. A man should be allowed to invest in land just the same as in a mercantile business. Rents in the city, said Mr. Shanks, went down 20 per cent. through the war, but it would require 100 per cent. increase to rehabilitate them. He argued that the city assessment should be reduced by $25,000,000. Property in the city was much over-valued, he said. He would also have the business tax readjusted if the proposed income tax scheme does not materialize.

Another Winnipeg representative was heard on March 13th, in the person of Mr. E. W. Watts, of the city assessment department. The present system of taxation could be replaced by methods which would place the burden more evenly upon the shoulders of the tax payers and at the same time would simplify the handling of the collections, he considered. Mr. Watts advocates that an income tax should be imposed by either the Federal or the Provincial Government. Allowing it to be administered locally and thereby reducing duplication. Each locality under this scheme could receive their share of the monies raised. Out of this expenses which include educational, policing and other expenses could be paid. An unearned increment tax should be placed on all lands sold, after allowing a profit of eight per cent. This tax would be worked similar to the excess business profit war time tax. Out of the proceeds of this all local improvements would be met and it could be used similarly to a sinking fund.

Whereas local improvements are assessed to those immediately benefiting by them, Mr. Watts advocates the assessments be shared evenly by all the citizens. This applies to new sidewalks, improved streets and other improvements. The present business tax, levied on the rental value basis should be abolished, claims Mr. Watts, and replaced by a two per cent. business tax levied on the net profits. The present auto license tax imposed by the province should be abolished, he claims, and handled locally by a tax imposed on all wheel vehicles, thereby supplying funds for the local improvements of the roads.

Mr. Watts explained at some length to the commission the present system of working the assessments, giving them all the details necessary for the comparing of the system with other ones which the commission may inquire into.

Private Parties Heard

Besides the city assessment officer, other experts explained their views on March 13th. R. R. Nicholl, tax commissioner for the Canadian National Railway, explained to the board that in his opinion the system of assessment in the country was unfair as some farmers and corporations were over assessed while others were under assessed. The