

Municipal Affairs in Manitoba

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Just now in Winnipeg, two things are attracting the attention of taxpayers to a greater extent perhaps than any other subjects have for several years past. One is the equity or otherwise of the city's present assessment, and the possibility of discovering a better, and the other a strong and growing agitation for municipal trading as an antidote for the high cost of living.

Throughout November and December, the Board of Valuation and Revision, the body dealing with local assessment, held a series of open sessions or meetings at the City Hall, and in one of the public schools of each ward in the city, at which the public were invited to offer suggestions or outline any plan of taxation considered to be more applicable to local conditions than the system now in force.

This, as it now stands, provides for land being assessed at 100 per cent. of its value, and buildings at sixty-six and two-thirds per cent., with, as a supplement, a six and two-thirds per cent. tax on the rental value of all business property, this latter being termed a business tax and bringing within its scope all retail stores, manufacturing premises and buildings used for office purposes. In addition to this, taxes are imposed on certain businesses not thus reached, and which it is considered advisable to have under more direct control. It is the business tax which led up to the sessions being held, local retailers having protested over and over again that even if justified, the tax as at present applied fell unduly heavy on their shoulders, which, under present conditions were not sufficiently broad to bear more than their proper share.

At the recent sessions many and varied were the suggestions advanced, single taxers, retailers, wholesalers and income-taxers all expounding their pet schemes. These, some of which contained valuable suggestions, will in due course find their way into print, and be considered by the City Council, the members of which in their election platforms in December last all advocated a revision.

Some system of income tax based on the English system seemed, however, to appeal to the majority of those addressing the board. H. M. Tucker, general manager of the T. Eaton Company, Winnipeg, thought that if the Federal, Provincial and Municipal Governments were all to raise taxation on this ability-to-pay basis, there would be no ability to pay. Taxation on business, also he said, was really a tax on the workingman, who, in comparison, spent much more than the millionaire in commodities. Mr. Tucker also stated that owing to the uncertainty as to what might take place during the next few years—meaning presumably, some tax by the Federal Government to provide for outlays made during the war—the present was a very inopportune time to think of changing existing methods of civic taxation either in Winnipeg or elsewhere, at least to any great extent.

Mr. Tucker said that he thought the Ontario system of income tax, so far as the income tax proposition went, might be considered a fair assessment. On the land question and single tax, which found a champion in F. J. Dixon, a member of the Manitoba Legislature, Mr. Tucker said that he had been informed by a property owner of Vancouver that at the present rate of progress of single tax in that city, all the buildings would soon be in the hands of trust and loan companies.

On the other hand, there were those who, while admitting slight flaws in the present system, favored its continuance subject to slight alterations. Among these was W. J. Christie, financial broker, of Winnipeg, a member of the Royal Commission on Assessment, which sat in Winnipeg in 1908 and 1909, and considered by many to be one of the few having the assessment question at their fingers' tips.

Mr. Christie stated that his idea of land tax or single tax was that land should bear the whole of the taxes, and for all purposes for which they were applied in Winnipeg. This, he said, would, if adopted, prove a hardship to the

salaried or working man renting or owning his own home, and would be an advantage to the owners of large blocks of buildings. It would, in short, be letting off the one who was able to pay and unloading the burden on to the man who could least of all afford to bear it.

The land tax exponent, he said, argued that by having a land tax only, all lots would be built upon. Did this land taxer ever stop to think that if every lot in Winnipeg were built on with its due proportion of apartment blocks, it would call for Winnipeg having a population of over one million souls, instead of as at present, 200,000? The reason people were not erecting buildings at present, he said, was that there were already more buildings in Winnipeg than people to occupy them, and impartial observers could easily see that with no demand, it was unreasonable to expect owners of land to build further and tax them out of existence for not so doing.

Going carefully into figures, Mr. Christie stated during his argument, that he could see no advantage in making any drastic change in the form of assessment, his idea being that the present system could reasonably be termed one of the most equitable in existence, as it divided the burden of taxation among all citizens in proportion to their holdings.

Dr. A. B. Clark, Professor of Political Economy, Manitoba University, addressing the board, held that not by any single tax, but by various ways could they hope to reach the ideal of taxation in proportion to income, and this gave the fairest distribution of general burdens, or what was known as onerous taxes. Many local services, he said, were not general, but specific, and for these provision should be made, as far as possible, on the benefit basis. It was true that no hard and fast line could be drawn between general and specific burdens—onerous and beneficial taxes, hence there was a difficulty in applying this principle in practice; for in addition to the direct service rendered to individuals there was some advantage to the whole community. In other words the tax was a payment for benefit received, such as water supply, public lighting, cleaning, drainage, roads and sidewalks, hence the citizen paid for certain useful commodities or services. The Winnipeg Frontage Tax could therefore, he said, be justified on this ground.

The high cost of living—the other subject engaging much local attention, was taken up with much avidity during December, both at the meetings of the City Council and at meetings held in connection with the local municipal election, at all of which the candidates, from those for the mayoralty downwards, underwent a severe grueling on this vital question.

Deputations of the Local Council of Women, the Women's Political Educational League, and the Women's Civic League, invaded the City Hall and were successful in having civic delegates appointed, who with them bearded Premier Norris, and his lieutenants, with the result that the question was placed in the hands of a commission with Public Utilities Commissioner MacDonald as head.

Several sittings have been held to which the principle bread companies have been called to give evidence. Incidentally it might be stated that bread, which in Winnipeg was early in the year five cents per twenty-ounce loaf is now seven cents. Albert A. Riley, manager for the Canada Bread Company, one of the largest baking concerns in Winnipeg, stated that in September, October and November the company made a profit of 8.21 per cent. on its total turnover, which worked out at 7.76 per cent. per annum on an investment of \$500,000.

Mr. Riley stated that all bread manufacturers figured on a return of not lower than 12 per cent. on their investment, and that a lower return wouldn't be worth while investing capital for. Mr. Riley also said that the inquiry was demanded not by the people, but by only certain people, and that the criticisms that had been levelled at the breadmakers were untruthful and unjust.