

Forke of Pipestone said how pleased the Manitoba Union was to get this kind message from the Federal Union and to know the sympathetic interest felt in the East for the Municipal workers of the West. Reeve McBride of Portage la Prairie Rural seconded the motion, which was carried.

The Convention then adjourned to permit of the further meeting of the Delegates from Urban Municipalities and of the Resolutions Committee.

#### Meeting of Delegates from Urban Municipalities.

The Convention delegates from Cities, Towns, and Villages met in separate session on Tuesday afternoon and evening. Dr. Clingan, Mayor of Virden, presided at these sessions and Councillor LePage, of Rapid City, was appointed Secretary. Those who were present and took part in the discussions were:—Alderman Riley, Winnipeg, Alderman Adolph, Brandon, H. H. Goulter, Town Solicitor, Virden, J. F. C. Menlove, Sec.-Treas., Virden, F. W. Clingan, President, Virden Board of Trade, Councillor Duke of Virden, Mr. Bragg, of Montreal, and Mr. J. Dyke, of Fort William, delegates from the Union of Canadian Municipalities, Mayor Dolmage and Councillor McLaren of Souris, Sec.-Treas. R. H. Hockin, Oak Lake, Councillor E. C. Fisher, Elkhorn, Mayor Lockhart and Councillors LePage and Miller, Rapid City, Sec.-Treas. Livingstone and Councillors Chalmers and Oddie, Deloraine, Councillor Taylor, Minnedosa, Mayor Phillips and Councillor Wilton, Morris, Councillor Alex. Tod, St. Vital, Sec.-Treas. Dickie, and Councillor Burrows of Grandview, Mayor Wilson, of Birtle, Councillor Morrison of Selkirk, and Reeve Therman, Lorne.

Mayor Clingan reviewed briefly the previous conference of representatives from Towns and Villages held in Brandon, October 30th. Since this conference and the distribution in pamphlet form of an account of the proceedings, there had been rather stormy times in Virden, a considerable section holding that Virden had been mis-represented at the first conference as having found the Business Tax satisfactory. There had been a couple of strenuous meetings and the Virden delegation had come to the present Convention to lay both sides of the question before the session. Mr. F. W. Clingan was called upon to explain the situation. He submitted that possibly conditions were not the same in other Towns as in Virden and that, therefore, the same solution of the Tax question might not apply. He spoke of Virden's prosperity, of the C. P. R. gardens, the public park, the granolithic walks, the excellent Fire-Brigade, the unsurpassed schools, the almost utter absence of any municipal debt—only about \$2,000 of Liabilities at the present time—of how public improvements are paid out of the current revenue, of the absence of party politics in the local papers, the two having united into one with the largest circulation among country papers, and of Virden's steady progress and live attitude. But there are some things preying against the very life of smaller Towns, which make it difficult for them to hold their own against Cities in the race for Trade. If these Towns are to be alive and be progressive in the future, they must take a different direction. The need for this new direction was the reason of his Resolution which came before the Union of Manitoba Municipalities in 1905, was sent on to the Legislature and resulted in the Business Tax legislation assented to March 16th, 1906, which introduced the business tax on a rental value basis.

For a full year after the passing of this Legislation Virden did not move but studied the question. Final-

ly, at a business meeting of the Board of Trade, it was resolved to ask the Council to adopt the Business Tax for 1907. This was done. There was opposition, of course. Out of 105 ratepayers, over 60 signed a petition that the Legislature be requested to pass an Act taxing businesses on the amount of business done, and, in the meantime, that Virden go back to the old system. The matter was thoroughly discussed and the iniquities of the old system proved to be so much more glaring than the weaknesses of the new business tax system, that the petition was withdrawn.

Next followed the meeting in Brandon, on October 30th ult. On the return home of the Virden delegates, they were met by objections to the position taken at the Brandon conference, but at both the smaller first meeting, and the larger later meeting, *not one solitary individual advocated going back to the old system.* They had formulated a new one of their own. This would be presented by Mr. Goulter, the Town Solicitor.

Mr. Goulter stated that he did not wish to be considered as in sympathy with the scheme he was presenting, for he was a firm believer in and advocate of the Business Tax. But he had promised to present the views of the other side. Their suggestion was to restore the Tax on stocks. Other businesses were to be saddled with imaginary stocks, and stocks were to be imputed to professional men, — say \$2,000 to a lawyer, etc. — the rate to be levied in the usual way and raised or lowered as you please. Personally, Mr. Goulter insisted that the Site Value of Land is the primary source of taxation, and that all improvements go to increase that site value. With improvements taxes grow too burdensome, so some other way must be devised. To tax Floating Capital is to frighten it away. We must tax the business income. The proportion of the amount of a man's income to the income of the Town, should determine his proper Tax. This is, however, not fair in bad years. This Business Tax is really what is known as the Montreal Tax, and is in operation, in one form or another, in most cities of Canada and the United States. The rental value basis in an artificial basis. A tax in lieu of personal property tax should not be more than 12½ per cent. of the value of the premises. The Business Tax is simple and works out well between different members of the same profession, and between the same trades, but not between the trades and professions. A lawyer can make more out of a small rental than a merchant. This is one of the things we want remedied.

Councillor Chalmers, Deloraine, said that Deloraine had had the Business Tax in 1907 and 1908. There had been some difficulties, but the new system was much better than the old. A just complaint perhaps lay in the inequality.

Mr. Burrows, Grandview, stated that Grandview had also had the Business Tax for 1907 and 1908. Last year there had been several appeals against the assessment, this year there were none. There was some difficulty, but it worked out well. Mayor Brown of Portage la Prairie, on a recent visit had asked — "Have you Personal Tax here?" "No," Grandview asserted proudly, "Business Tax." "Why," said Mayor Brown admiringly, "You're right up to date!" The object of the Business Tax is to tax *all* businesses. But it does not reach *outside* business, such as the Mail Order Businesses of the departmental stores. Is there any way of taxing the thousands of dollars of business lost in this way to our own Towns?

Councillor Wilton, Morris, spoke along the same lines, telling how the Departmental Store had got the Voters'