

The Dominion Government and the Municipality of Ottawa

By HAROLD FISHER, Mayor of Ottawa.

The existing agreement between the Dominion Government and the City of Ottawa expires on the last day of June, 1919. It is, therefore, necessary that some new arrangement should be made at once and ratified at the present session of Parliament.

Under the expiring agreement the city provides water to all government owned buildings, and also to all buildings leased and occupied by the government. The city supplies all municipal services to government owned buildings. The salaries of all civil servants are exempt from taxation.

In return for what is done by the City the Government makes a contribution to the Ottawa Improvement Commission for park purposes in Ottawa and vicinity of \$100,000.00 each year. The Government also pays direct to the municipality \$15,000.00, which is said to be paid for fire protection.

The visitor to Ottawa is shown some beautiful Government buildings. He is taken over a driveway which he is told has been constructed by the Dominion Government. He leaves the City with the impression that the residents of Ottawa are the recipients of special favors from the people of Canada by reason of what the Government does for the City. The impression which the visitor to Ottawa takes away with him has become the general view of the people of Canada outside of the City of Ottawa.

Anyone who will take the trouble to read the existing agreement and to learn the facts as to its operation will at once see how erroneous is the general view that the City is greatly indebted to the Government. If instead of the Dominion Government we had in the City of Ottawa a factory or a financial institution owning the same amount of property and with the same pay roll the taxes and water rates paid by the factory or financial institution at the ordinary rate of taxation would amount to at least \$886,453.60. The fact is that the Dominion Government has been bonused by the City of Ottawa to an extent that has never been granted to any industry or business anywhere in Canada.

An attempt is here made to state the position of the Government in relation to the City. The data for the discussion of a new agreement is collected. An attempt is also made to state certain principles which should form the basis of an agreement.

The obligations which should be assumed by the Dominion Government in regard to Ottawa are these:—

First:—The Government should pay its equitable share of the expenses incurred by the municipality in carrying on municipal government.

Second:—The Government may reasonably be expected to contribute in addition such sums as are necessary to make a Capital worthy of the nation.

It is convenient to deal first with the obligation last stated,—the obligation to the nation.

Ottawa is a commercial and manufacturing City. If it were nothing more the development of the City might be left to the residents of Ottawa. Ottawa is more. It is the capital of the nation. This fact imposes on the Parliament of Canada a duty not to Ottawa, but to the people of Canada. In all great countries the spirit of the nation has found expression in the capital city. Further the national spirit of the people has been vivified and stimulated by the creation of a stately and magnificent capital. If Canada is to be a great nation the capital of Canada must in dignity and beauty be made worthy of a great people.

It is not for any citizen of Ottawa to dictate what money shall be expended by the people of Canada in the making of their capital. That must be left to the nation's representatives in Parliament. It may, however, be here properly pointed out that whatever of this character is done must be looked upon as done for the benefit of the whole nation and not as a favor done to or an expenditure made for the City of Ottawa. In the making of any new agreement it must also be recognized that any expenditure made in the embellishment and beautification of the Capital beyond what might reasonably be made in any ordinary city cannot fairly relieve the Government of its equitable obligation to bear its share of the ordinary municipal expenditures.

These considerations are of special importance by reason

of the fact that there was completed in 1915 what was called a Federal Plan of the City of Ottawa and Vicinity. To this plan the language of the report of the Senate Committee on the District of Columbia made in 1835 may be applied with little modification. In this report the Chairman, Mr. Southard, speaking of George Washington's plan for the district of Columbia, said:—

"It is a plan calculated for the magnificent capital of a great nation, but oppressive from its very dimensions and arrangements to the inhabitants if its execution to any considerable extent is to be thrown upon them. No people who anticipated the execution and subsequent support of it out of their own funds would ever have dreamed of forming such a plan. It would have been the most consummate folly."

What happened in Washington must not be repeated in Ottawa. In the early years the development of the District of Columbia was left to the people of the District with little assistance from Congress. The result was that in 1874 the District of Columbia was bankrupt. At that time Congress was obliged to guarantee the principal and interest of the indebtedness of the District and undertook to pay its proportionate share. In 1878 it was determined that this proportionate share should be one-half and every Congress since has annually appropriated that amount.

Ottawa is not bankrupt, but in a fairly good financial condition and it may seem that this discussion is beside the mark. It is submitted that this is not so. Already Ottawa is suffering from the failure of the Government to pay its way. Any new agreement between the City and the Government must be based on a proper appreciation of the principle of national responsibility for national undertakings.

The principle that the making of a capital must be undertaken by the nation is of special importance if the work of the Ottawa Improvement Commission is to be continued. It will be of still greater importance if the work of the making of a capital is to be commenced in real earnest. The Ottawa Improvement Commission has for some years had charge of most but not all of the parks in Ottawa. To the extent that parks are reasonably necessary for an ordinary City the work of the Commission may be looked upon as done for the benefit of the residents of Ottawa and a contribution to local municipal government. In so far as the expenditure made exceeds the reasonable requirements of the citizens of an ordinary city it should be looked upon as capital-making and charged to the nation.

In Ontario under the Public Parks Act the rate for park purposes must not exceed one-half mill on the dollar upon the assessed value of all rateable real and personal property. It is suggested that the Ottawa Improvement Commission or the Government should take over all the parks of Ottawa and that the City should as a contribution to parks pay one-half mill on the dollar. If this suggestion were adopted the residents of Ottawa would pay a reasonable amount for the enjoyment of the parks. The Government would be left free to expend in addition as much as may be deemed proper for the beautification of the Capital.

In discussing the obligations of the Government to bear its share of municipal expenditure some difficulty may be avoided by eliminating at the beginning those branches of the Government service which have a local character—the post office, the customs house, the drill hall. While these are part of the government machinery they may be looked upon as local institutions ministering primarily to the people of the locality in which they are situated. Any burdens cast upon the municipality by their presence are more or less common to all municipalities throughout the country. No great injustice is done by exempting them from local taxation. Ottawa will be quite content that they shall remain free from taxes.

In Ottawa we have a condition of affairs different from that obtaining elsewhere. The Dominion Government is our greatest landowner. The present taxable real estate in Ottawa has been assessed in 1918 for taxation in 1919 at \$98,883,599. The Government occupies real estate in Ottawa valued at \$22,268,650.00—or after deducting the value of local Government institutions, at \$21,158,190.00.