

# The Commercial

WINNIPEG, FEBRUARY 19, 1894.

## EXPERIMENT IN MUNICIPAL TAXATION.

Regina, the capital of the Territories, is about to make an experiment in municipal taxation of quite a radical nature. In a news item in *THE COMMERCIAL* of last week, referring to this, it was called the Single Tax system, though it will be observed that it differs very materially from the Henry George idea of taxation. At the last session of the Territorial Legislature, an act was passed regarding municipal assessment, which the town of Regina has now decided to carry into effect. The *Regina Record* gives the following synopsis of this act:—

"The sources from which revenue may, under this law be derived are (1) real estate assessed at its full cash value, buildings and improvements being exempted—the maximum rate which may be imposed under this head is placed at three per cent; (2) a business tax, not to exceed one dollar and a half on every thousand dollars of the total turn-over of the previous year, being 15 mills per hundred dollars and not 2½ per cent, as some suppose; (3) an income tax which averages \$10 per thousand, but which may be reduced by the Council; (4) a license tax to be placed upon such concerns as railway, telegraph, telephone, insurance, electric light and loan companies, and also upon banks and societies, the cost of such license to be based upon the volume of business transacted."

The first source of revenue from taxation upon land is of course in agreement with the Henry George idea, or single tax theory. The second clause, however, which provides for a business tax, is quite opposed to the arguments of the single tax advocates. It is, besides, a plan of taxation which is objectionable, chiefly because it is not equitable. It is decidedly unsound and unfair in principle, to tax all business men to the same proportionate extent on the turn-over of their business, for the reason that profits are not the same in different lines of business. In some branches of trade, particularly in those where the annual turn-over is small, the profits are much larger than in others. One man, with a turn-over of \$25,000, may have as large a net profit as another with a turn-over of \$50,000 or more, yet the latter will pay double the amount of taxes. The maximum rate allowed for the business tax, under the act, is not very great, but this does not help the principle of the thing any. Another objectionable feature is the knowledge which may be obtained, under the system, of the amount of business done by different concerns. Many business men would not care to have the amount of their annual business made public. It seems to be an accepted idea that business should be taxed, but why this is the case is one of the things which is past understanding, in the logic of things.

As an experiment, this departure on the part of the Regina authorities will be interesting, though the system can hardly prove permanently satisfactory in its present form, if, indeed, any system of taxation can be made satisfactory.

## EDITORIAL NOTES.

It will be interesting to observe what Parliament will do with the French treaty, which was left over from last session, and will come up for ratification at the coming session. There was a great deal of opposition to the treaty shown at the last session, and this seems to have increased considerably in the meantime. Rather an amusing feature has transpired recently in the opposition to the ratification of the treaty. We find the temperance people and the distillers both out in opposition to the treaty. It is not very often that these interests can find anything upon which they can agree, but it has happened for once. The temperance people oppose the treaty because it commits the country to the admission of French wines, which with other liquors they want prohibited. The distillers oppose the treaty because they fear cheaper light wines may decrease the consumption of domestic spirits. With these two interests now manifesting their opposition to the treaty, the government will find it even more difficult perhaps to pass the treaty than would have been the case a year ago.

*THE COMMERCIAL* has been seconded by practically the entire press of Winnipeg, in first speaking out in opposition to the proposal that the city should give \$100,000 to the Dominion Government, to aid in improving the Red River navigation. The arguments used by the press generally are about the same as were advanced by *THE COMMERCIAL*, and it is not necessary to repeat them. They are sound in principle, and have been so strongly put as to be overwhelming. The Legislature may sanction the proposal or not, just as the members see fit, but it will be wasting time and money to put the question to a vote of the rate-payers, for with such strong opposition it would hardly seem possible to secure a vote in favor of such an expenditure.

THE question of prohibiting the liquor business is just now about the foremost question in the province of Ontario, leaving in the shade for the time being even such disturbing factors as the Protestant Protective association and the political campaign of the Patrons of Industry. It begins to look as though the Ontario government would be forced by the so-called temperance element to undertake a movement against the liquor interests. The recent vote in that province on the plebiscite on prohibition has surprised even the temperance people themselves, in the large majority that has been rolled up in favor of prohibition. The official returns of the vote, which have been made public, show a total of 192,487 favorable to prohibition, and 110,757 against. Though there is a respectable minority, it must be admitted that the majority—81,730—is very large. What the government will do, in the face of this vote, is now the interesting question. A section of the prohibitionists, calling themselves Advanced Prohibitionists, are pushing the government very hard to take action in the matter, and in view of the vote, it is difficult for the government to escape the issue. The people rule, and if they are bound to have a prohibitory experiment, they

might as well have it at once. The only excuse the Government can give for delay, is the possible conflict of authority between the federal and provincial authorities, as to jurisdiction in prohibitory laws. The prohibitionists recently stormed the government buildings at Toronto in great force, and having duly cornered the Premier, forced from him the declaration, that as soon as the question of jurisdiction—now in the courts—was settled, he would be ready to act in the matter as far as the law would allow him to go. The prohibitionists are, of course, greatly elated with their success, and having extracted a satisfactory promise from the provincial premier, they are now shouting, "On to Ottawa." By the way, this prohibition excitement in the sister province calls to mind the fact that Manitoba voted yeas on a plebiscite on prohibition a couple of years ago, but the vote did not create such excitement as has been the case in Ontario, and very little has been heard about the matter since.

MR. FISHER, member of the Manitoba Legislature, is after the lieutenant governors. He has given notice of a motion to the effect that the expense attached to the keeping up of costly government house establishments in each of the provinces is unnecessary, and that it is the duty of the Legislature to consider whether means can be devised for reducing the cost without a surrender of the privileges enjoyed under the constitution. His motion sets forth that the office of governor, or rather the duties pertaining to the office, might be performed by a person occupying some other position under the federal government. The office of lieutenant governor, though filling an important position under our constitution, is in reality largely a matter of show, formality and red tape, though at the same time a very expensive position to keep up. In this practical age, it might not be too great a shock to the constitution if we were to look at the offices of the lieutenant-governors in a business light, and take measures to reduce the system to a business basis. That is, strip the position of all formality and paraphernalia, and have the federal authority in the provinces represented by a business man, in a plain, business way. Reduced to this basis, the large expense of keeping up a government house and appurtenances thereto, largely for the appearance of things, would be reduced to an amount equal to the salary of an ordinary official of some rank. Anyway, the honorable office of lieutenant-governor is now solely regarded as a political appointment, and the position has not infrequently been handed to party hacks or political schemers, whose public record has been anything but creditable and honorable. Such are the men who have sometimes been appointed to represent the majesty of the constitution and maintain the dignity of the position. There is certainly a good deal of humbug about the business, and it should be possible to maintain a constitutional head, without all the paraphernalia of a government house.

J. W. Paterson & Co., of Montreal, have had an extensive fire in their premises, doing heavy damage to their stock and also their tarring department.