

MUNICIPAL GRANTS TO CHARITY

A grave situation in municipal politics and finance has arisen from the practice on the part of many municipalities, of supporting voluntary organizations connected with the war. In most cases these grants have been regarded as expenditures on capital account, a policy which is fundamentally unsound. Quite apart from this point, however, it is not the proper function of such public bodies to take upon themselves the responsibility of supporting private organizations, whatever their object.

Some months ago the city of Toronto secured special legislation from the province, to enable it to make a grant to the Y.M.C.A. A few weeks ago another grant was made to the Catholic Army Huts, to be used for similar purposes. The legislation, however, did not provide for grants to institutions other than the Y.M.C.A., and accordingly an application was made to have the new grant quashed as being invalid. During the course of the hearing before Chief Justice Meredith on the 16th October, it developed that both of these grants, and more in addition, were not being made out of funds collected this year, but would have to be provided for by an overdraft to be met out of next year's taxes. On this score alone the grants were adjudged to be illegal. Over \$1,400,000 of expenditures have been voted by the council, which will have to be met in this way. About one-half of this consists of votes to patriotic societies, including \$500,000 to the Patriotic Association, \$75,000 to the Y.M.C.A., \$50,000 to the Sailors' Fund, and \$15,000 to the Salvation Army.

This situation illustrates the degree of laxness into which municipalities may be led. It is bad enough to make such grants at all; worse to finance them by borrowing; and worse still to vote them when provision has not been made in the municipal budget, and the funds are not on hand. Toronto, as one of our leading cities, is expected to display skill and wisdom in civic management; it might learn many lessons from the methods of smaller cities both in east and west. We await with anxiety what may happen if the street railway is purchased, and administered like the civic railway, or the civic abattoir.

Apart from the question of mismanagement, however, the support of voluntary organizations does not come within the proper scope of municipal activity, because a municipality is a political body erected to satisfy the public requirements of the inhabitants of a given area. No plebiscite is taken on the question, and no provision made in the estimates, yet councils take upon themselves the responsibility of passing judgment upon the merits of charitable organizations, and of supporting them out of the public purse. If voluntary contributions will not ensure the maintenance of essential services, the proper body to provide these services is the Dominion of Canada. The cost would then be equitably distributed throughout the whole field, and not according to the views of municipal councils, or the pressure which is brought to bear upon them. The spirit of voluntary giving will not in this way be stifled, because there would remain many useful but unessential activities, the support of which would depend upon the individual. Municipal grants are a partial and unjust method of levying compulsory contributions.

WAGES AND THE COST OF LIVING

In ordinary times alterations in the cost of living are valid and, it may be said, conclusive, arguments for corresponding changes in the wage scale. If this were used as an argument now, labor, and in fact services of all kinds, would seem to be underpaid; for with a few possible exceptions wages and salaries have certainly not advanced proportionally to the rise in cost of living since 1914. That arguments of this kind are not now valid is due to the fact that the belligerent nations have been engaged in military operations on a tremendous scale, part of the expense of which must be borne by wage earning and salaried classes.

It is quite impossible that when such a considerable proportion of our population is engaged in work which is economically unproductive, others should continue to enjoy their customary comforts and luxuries. Labor and capital which would ordinarily be applied to the production of articles and services of use and pleasure, have been employed in military operations, in the manufacture of munitions, and in other manifold activities which are essential to the prosecution of a modern war. This diversion of effort is reflected in the cost of production of all commodities, which increase must be borne to greater or less extent by all classes. In the case of those of small income this is their sole contribution to the cost of the war. Those of larger income must also contribute, not only by buying more, but by paying the special taxes with which they are assessed because of their possession of that income.

A concrete illustration of this point is found in a recent announcement of the United States War Labor Board. A few weeks ago wage increases to the extent of about seventy per cent. were granted to street railway employees in New Orleans; at the same time an increase in fares was recommended, which was opposed by the employees; as a result the Board was compelled to announce that, if this opposition were maintained, it would have to suspend the entire award, including the increase in wages, pending a re-hearing of the entire case.

The advance in the cost of living is a valid and weighty argument for wage increases, but it is not a just measure of what that increase should be. This was recognized by the new Canadian Labor Appeal Board in its first case, that of the Ottawa Electric Railway Company. The amount of the advance in the cost of living was, it is true, used as a basis, but was discounted in consideration of the part that the employees should bear in paying the cost of the war, represented in this case by higher living expenses. Generally speaking, labor has proved itself willing to accept this situation, and consider the position of employers who find themselves confronted with the same rapid rise in costs of production, while revenue grows at a slower rate.

Building permits of some of the western cities for the month of September show a great improvement. In Winnipeg the total is \$144,850, against \$94,800 in the same month last year. The total permits for the nine months this year are less than that of the corresponding period last year, but in the latter case there was included \$475,000 for the parliament buildings, which would more than account for the difference. In Regina the figures for the month of September, 1917, are almost trebled. In Calgary the permits for the nine months of this year have crossed the million mark for the first time since 1914.