

## NO WINNIPEG INCOME TAX THIS YEAR

Committee of Manitoba Legislature Decides Not to Empower City to Levy Income Tax—Whole Subject Under Discussion

THE income tax as drafted by the Winnipeg City Council, which was described in *The Monetary Times* of March 7th, will not be in force this year as was originally planned. In order that the city would have power to levy such a tax it was necessary that authority should be obtained from the provincial legislature and as other amendments to the city charter were being considered, this was included. The first bill submitted by the city council was criticized as being hastily prepared and inequitable. A second draft bill was, however, shortly afterwards presented. When the law amendments committee of the legislature took it up, however, strong opposition developed and this amendment was omitted.

Arguments in favor of the tax were presented by Mr. T. A. Hunt, city solicitor. He pointed to the heavy burden which was borne by real estate. The solicitor stated that any person who conducted a business in the city although living outside the city will be taxed on total income. Head offices, business firms, etc., who are situated in the city will also be taxed on their total revenue. This would mean that the Union Bank, for instance, whose head office is in Winnipeg, would be forced to pay an income tax on its entire business.

Lengthy evidence was received by the committee from Mr. John B. Leenhouts, a tax expert from Wisconsin, representing the city of Winnipeg. He expressed the view that the income tax was just as applicable to a city like Winnipeg as to any other municipality or state and gave evidence as to the success of the civic income tax in Milwaukee.

### Opposition to Tax

On March 3rd, representatives of the Winnipeg Board of Trade and of the Manufacturers' Association appeared before the committee and urged that the bill be laid over for a thorough investigation. The Manufacturers' Association submitted the following argument:—

"This association is opposed to any taxation proposals for the city or province which are not based on a comprehensive survey of the whole situation in the province with regard to the methods now employed to raise taxes, showing to what extent, if any, the method of taxation now practised works injustice or fails to secure adequate returns of revenue. Such survey should contain a report of supplementary or alternative methods of taxation, showing in detail the probable effect of the joint workings of the proposed law, and such old methods as might be retained, and the revenues likely to be derived therefrom. And this association is convinced that it is imperatively necessary that an expert and comprehensive survey along the lines above suggested, by one or more competent persons, should be obtained by the government, and that such persons should render assistance in drafting such legislation as may be necessary."

The Board of Trade offered the following resolution along similar lines:—

"This bureau recognizes that the equitable distribution of community costs is the foundation of future development, and believe that the income tax is one means of attaining this end. While we realize the necessity of immediate relief to those at present bearing the burden of taxation, we urge, however, that no action be taken by the city of Winnipeg in regard to income tax legislation until the report of the provincial commission on taxation has been received. In the meantime we suggest that the taxation committee of this bureau investigate and prepare a report on other methods that may be suggested for raising the necessary revenue with which to meet the immediate community costs; that this report, if adopted by the bureau, be forwarded to the council for submission to the provincial tax commissioner; that the representatives of the board of trade on that commission be instructed to arrange that its recommendations include

definite suggestions regarding the best methods of making assessments for municipal taxation. We desire in making these representations to the council to express our appreciation of the city council's efforts to arrive at an equitable solution of this vital problem."

Mr. Edward Parnell appeared as the representative of both these organizations. He pointed out the danger of income taxes being imposed at the same time by federal, provincial and municipal governments with separate machinery for collection maintained at unnecessary expense. He expressed the view that it would be better for the province to take over part of the municipal tax burden such as the provincial levy on municipalities, the patriotic tax, etc., and raise the necessary funds by means of a provincial income tax. The Board of Trade and the Manufacturers' Association, he said, were not opposed to an income tax, if it were applied as part of a carefully worked out system.

Among the evidence submitted against the bill was that of Mr. D. W. Buchanan, representing the Single Tax League, who maintained that the city was now over the crest of financial difficulty; that there was no reason for changing the system, and that real estate men merely wanted to relieve the land taxes in order to bring again boom conditions such as had resulted in the present financial difficulty. Some also referred to the fact that as Winnipeg and St. Boniface were adjoining municipalities, a Winnipeg income tax would result in the shifting of much business and population to St. Boniface.

## PRICE BROTHERS FORM SYNDICATE

A circular has been sent to shareholders of Price Brothers and Company, informing them that a syndicate, composed of the president of the company and certain directors, bought last fall, a property on the Sault-au-Cochon River, 180 miles below Quebec. This syndicate is capitalized at \$500,000, and participation is offered to the shareholders of Price Brothers to the extent of 10 per cent. of their holdings of the company's stock. The offer is made to all shareholders of record March 15th, 1919, and payments will be required to be made as follows:—20 per cent. on or before April 15th; 40 per cent. on or before May 15; and 40 per cent. on or before April 15th of this year.

## MINIOTA FARMERS MUTUAL FIRE

During the year 1918 the Miniota Farmers Mutual Fire Insurance Co. of Beulah, Manitoba, increased the amount of insurance in force by \$2,948,031, making a total at the end of the year of \$25,511,518. Cash assets now total almost \$100,000, and total assets are \$468,774. This includes, however, \$358,122 of premium notes unassessed. Details of the company's financial affairs are given elsewhere in this issue.

The following comparative table shows the increase in the company's business during a period of five years:—

|                                    |               |
|------------------------------------|---------------|
| Dec. 31st, 1888, business in force | \$ 589,295.00 |
| Dec. 31st, 1893, business in force | 1,303,416.00  |
| Dec. 31st, 1898, business in force | 1,733,092.00  |
| Dec. 31st, 1903, business in force | 3,134,046.00  |
| Dec. 31st, 1908, business in force | 5,358,164.00  |
| Dec. 31st, 1913, business in force | 12,058,918.00 |
| Dec. 31st, 1918, business in force | 25,511,518.00 |
| Business written in 1918           | 9,715,041.00  |
| Number of policies issued, 1918    | 4,445         |
| Total policies in force            | 12,052        |
| Total volume of business in force  | 25,511,518.00 |
| Average amount of each policy      | 2,116.00      |