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On Winnipeg's pro-crisis budget, 2020-2021
Darrell Rankin, Winnipeg Labour Election Committee
18 March 2020

Good afternoon (or evening). I represent the Labour Election Committee, a group whose members were elected to City Council in the wake of the 1919 General Strike until Joe Zuken retired in 1983.
Our program is directed to end the domination of Winnipeg City Council by large business and developer interests, advance policies to develop Winnipeg according to the needs of Indigenous and non-Indigenous people, provide services on an equitable basis to all citizens, support the labour movement, defend working people including the self-employed and small businesses, and promote ever-greater participation of people in the formulation of all policies affecting our lives.

Although I disagree with the content of the proposed budget, I commend City Council's executive's proposal to have a four-year budget plan because only a planned economy has a chance to cope with existential social-economic and climate challenges.
The budget makes it obvious that Winnipeg has an enormous budget and democracy crisis, a crisis with a gigantic disconnect between people's needs and the measures that should be in the budget.
The budget contributes to the crisis rather than offering a solution to the crisis.
We are in a crisis that has simmered for many decades, accumulating problems and building up unresolved contradictions.
It has come to this: We need to ask "What is a City - a place to survive or to live?"
People want to have a City where they can live, not just survive.

Libraries, pools, the arts, and public transit are targets in this budget, but the real impact is on people. And Winnipeg's people are already in a crisis.
Nearly one hundred thousand are low income; workers live from pay cheque to pay cheque with no hope of retiring in dignity or seeing their children live in better circumstances; Manitoba is the only low wage jurisdiction West of the Atlantic provinces assisted by extremely high unemployment rates in Indigenous reserves and communities not covered by the federal Labour Force Survey, and home owners are loaded with unfair taxes not based on the ability to pay, like sales, carbon and property taxes and revenue grabbing water and sewage rates. Not least, climate related disasters are zeroing in on Winnipeg.
Not only does this budget cut needed services, it leaves undone much that needs doing, like services for families, free meeting halls, resources for community involvement, and measures to cope with expected climate catastrophes like capping landfills, requiring geothermal heating, improving the insulation of buildings, free public transit and so many other needed social and climate reforms.

Near the end of his distinguished life and work, Jacob Penner, a member of this City Council, wrote a pamphlet in 1960 entitled "The Crisis in Municipal Government." It is available in the public library. Penner wrote "local governments are hamstrung by restrictions, while loaded with financially unbearable burdens."

He explained "The real obstacle. (is the) powerful corporate structures (that) dominate the policies of senior governments, and the big financial interests (who) assert a virtual dictatorship over local authorities. Some of the provincial Acts which govern municipalities were adopted during the last century. By means of these antiquated laws, Big Business manoeuvers to prevent any and all democratic reforms which would ease the financial burden on. municipal taxpayers, for the most part small business., home-owners and tenants. Many of the civic politicians, particularly in the larger centres, are the servants not only of senior governments but spokesmen (sic). of the monopoly interests who stand in the way of municipal reform and progress." End of quote.

Virtually nothing has changed in the relations described by Penner in the last sixty years.

Of all governments the municipal level is the one closest to the people, the level most in tune with people's feelings, mood and ideas.

The fact that over 150 people registered to express their thoughts today on the budget signifies people are not happy. People need a genuine alternative and a way out of the present crisis.

If you are not a servant of the senior levels of government, what can you possibly do as a progressive member of City Council? This is an indefensible budget politically because it is anti-people. The budget does the work Premier Pallister wants you to do. It does the job the owners of True North request of you. Among the union busting owners of True North, holders of the Winnipeg Jets franchise, is the richest billionaire in Canada. The budget does not cut True North's tax breaks and subsidies, an outfit that tried to break the law and not pay its employees during the present pandemic.

I encourage a self-respecting member of this City Council to try amending this budget by cutting all help to the anti-union, anti-worker bosses at True North.

Sixty years ago Penner formulated a lasting solution to the civic democracy problem. He proposed "civic governments must be raised to the status of independent political bodies, with full autonomy in all local affairs, including fields of taxation within each local government's jurisdiction. No strings should be imposed by any outside authority. as to how such tax revenues are to be spent. The struggle for municipal home rule and local democracy is of vital concern to all working people."

A point Penner makes early in the pamphlet is that "taxes should be related to income." The only fair tax is one based on a taxpayer's ability to pay. All tax policy must flow from that basic and democratic principle. Quote: "Municipal taxes on property have no such relationship and are therefore iniquitous and cause great hardship for low income home-owners and small proprietors." Unquote.

The senior levels of government have for years integrated Canada's income tax regime, which is the fairest tax we have at this point. (Income tax loopholes and inadequacies are other topics.) Penner pointed directly to the need to make civic government part of that integrated system. Sales taxes are rebated at the federal level; property taxes based on ability to pay can be rebated at the civic level. That is only fair, but the demand must be raised here and by all working people.

Unless it is combined with the modern income tax, civic property taxes will remain an outmoded survival of the feudal aristocracy's sometimes bloody power to tax peasants and artisans.

By the way, if Canada is to respect its international obligations regarding Indigenous Nations, all national governments in Canada have the right to be part of a progressive tax regime based entirely on the ability to pay, should they so choose.

But going back to civic government, here are other proposals for the budget or as soon as possible:

- An additional year's grace for property owners in arrears to avoid a tax sale, because of the pandemic crisis.

- A public inquiry to consider integrating civic and senior government tax regimes and enshrining a broader range of civic government powers in the existing or a new constitution.
- A public inquiry into the scale and concentration of land ownership by developers as was conducted in the 1970s (for example, by Lloyd Axworthy and others*), taxes paid by private land speculators, and the benefits of public land banking for industrial and residential development.

These are measures and initiatives where some or all of City Council can begin to stand up for people in Winnipeg instead of acting for the big business and developer interests who dominate the senior levels of government.

The other choice is to support this budget which is the path to the decline and fall of Winnipeg. Take the political economy of public transit cuts. The City advertises the availability of a large and educated pool of labour. But if transit cuts cause fewer students getting to school or fewer workers able to afford getting to work, that undermines the entire City. This lesson of political economy is already happening.

To summarize our position on the budget, the Labour Election Committee does not support property tax increases or public transit cuts. We support a multi-faceted political campaign backed by the majority of voters in Winnipeg who did not support the political party in power in Manitoba, by a broad coalition who will establish a civic government that listens to and acts for the people.

As a socialist, I have always wanted to live in a society that does not need money. The way governments are cutting jobs and services and the way corporations are cutting wages and laying off thousands of people, I believe we will arrive at such a society sooner than you may expect.

*Josh Barber, Alan Whittle, and Lloyd Axworthy, Land Ownership in the Winnipeg Fringe Area, 1977. Other studies reported a high degree of land concentration in many Canadian cities; for example, as reported in James Lorimer, Land and Urban Development, 1976.

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