



FAST FACTS



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The Best Time to Plant a Tree is 20 Years Ago Or, What therapid transit decision tells us about Winnipeg's new Mayor

This is apparently a good time of year to plant trees, and we have planted a number of them recently around our house. After each sapling has been stuck in the ground and watered, it is impossible to resist stepping back and telling yourself that planting a tree is an act of pure optimism and generosity, not to mention that ... well, that thing's really pretty puny, isn't it?

Yes, the best time to plant a tree is 20 years ago. But failing that, all we can do is plant one today. This is a lesson that Mayor Sam Katz, and the majority on City Council that yesterday voted to kick the issue of rapid transit off into the tall grass, would do well to consider.

There is no doubt that developing a rapid transit system in Winnipeg would be easier and cheaper today if previous administrations had made different decisions. If Winnipeg had developed in ways that made it less car-dependent, if sprawl had been contained, and if the transit system we do have had not been so terribly neglected,

some form of rapid transit would probably already be a reality.

But Council's move to stall – yet again, and likely until such time as the saplings around my house have matured into towering birches – any progress on rapid transit is sadly consistent with the approach the City has taken for years, an approach based on the logic of a procrastinating teenager: *It got hard, so we quit*. The move also sends important signals about the Mayor's plans for the City's future.

Lean 'n' Mean?

Sam Katz was elected Mayor on a platform that could be charitably described as light, which was appropriate in that his appeal rested on the thin reeds of a sunny optimism, an emphasis on “young people,” and his promise to bring his business skills to bear on the city.

Since taking office the issue on which he has displayed the most brio is this one – and it is essentially a decision *not to do something*. What does it mean that the Mayor's top priority seems to be a further,

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ill-conceived contraction of municipal government? The rapid-transit decision contradicts his campaign image at every turn. It is obviously a betrayal of both his superficial optimism, and of the “young people” who supported him. So was it Katz the businessman who made this decision?

The ostensible reason for killing rapid transit is that it would eat up resources that could better be spent elsewhere, on services such as roads and community centres. The Mayor portrays his decision as a tough-minded, back-to-basics business approach. But the facts suggest otherwise.

The City had an agreement with the Province and the Federal government, under which those two levels of government will match Winnipeg’s contribution to a rapid transit system dollar-for-dollar. It may be that, ultimately, the Mayor is able to move the federal and provincial dollars neatly away from the project for which they had been marked, and invest them instead into community clubs. Even if we grant him the assumption that he has not jeopardized that money, he has at the very least reopened a beneficial agreement that had taken years to negotiate and had already been settled, with the best-case scenario being one in which the City is no further ahead. He has certainly cost the city numerous spin-off economic benefits, including those associated with having the buses manufactured locally. Seen this way, the vote against rapid transit is not so much prudent as it is a calculated act of fiscal irresponsibility.

And what happened to the entrepreneurial spirit that has been Katz’ calling card? Any successful business owner knows the importance of investing in the business and moving forward.

Indeed, stalling rapid transit now makes little sense, except from the purely ideological point of view reflected in Ronald Reagan’s famous quote: “Government is not a solution to our problem, government is the problem.” This is the position that would seem to explain the Mayor’s emphasis on doing less.

Yet is that really the approach that is needed at this time? Municipal government in Winnipeg has been taking up an ever-smaller piece of the economy for a number of years. Real per capita program spending in Winnipeg fell by nearly 17% over the 1990s. It is no surprise that even basic services in Winnipeg are so badly in need of investment. But the problem was caused by a mania for reducing the size and activity of city government. Property tax cuts since 1998 and business tax freezes since 1996

have already reduced the city’s revenue by nearly \$60 million per year. Katz is prescribing more of what caused the problem in the first place.

Business Tax

Rapid transit may not be fully dead yet, but the Mayor appears determined to keep hammering nails into its coffin. The biggest one – and the issue that may come to define Katz’ mandate as Mayor, is his cherished plan to eliminate the municipal business tax, which would cut city revenues by more than \$60 million per year. Katz’s claim that the money for rapid transit is not there was disingenuous and unconvincing. If he succeeds in killing the business tax, however, he will be able to kill off rapid transit – not to mention many, many other public investments – for years to come. He has only been in power for three months. It will be much easier for Katz to say the cupboard is bare once he has had some time to empty the cupboard.

—Todd Scarth

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