

# Regional government reapportions

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## the municipal tax pie

By Jim Etherington  
of The Free Press

While Ontario is in the throes of house-cleaning its assessment system in order to create a more equitable tax base, a Nova Scotia municipality has found an easy way to solve its residential-industrial assessment imbalance.

Port Hawkesbury is a town of about 4,000 people in southwest Cape Breton. Like many small maritime fishing and mining communities, it seemed headed for tight times until the Canso Causeway was constructed in 1955. This didn't seem such a



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good thing for the economy at the time as traffic was diverted west of the long-time ferry terminus.

But the causeway provided a barrier to winter ice creating one of the best year-round harbors in the world. Since then, through provincial and federal stimulus, a \$70,000,000 heavy water plant is nearing completion, a \$45,000,000 pulp mill is being expanded and a newsprint mill costing \$60,000,000 is going up. In addition a \$77,000,000 oil refinery and deep-water tanker terminal is under construction, and an \$18,000,000 power plant is in operation.

But as coastal shipping owner Art Langley, mayor for the past eight years, told The Free Press in a recent interview in Halifax, this

created fantastic cost problems for Port Hawkesbury where most of the workmen chose to live. With all the industrial assessment going primarily to Richmond County where the plants are situated, there simply wasn't enough money to build the schools, roads and install the services for the homes that began sprouting up.

Then Dr. Thomas MacKeough, minister of municipal affairs about three years ago, brought municipal officials together and agreement was reached to divide up the tax revenue.

Port Hawkesbury now gets 32 per cent of the taxes, Richmond County 33 per cent, Mulgrave, a town across the Canso Strait, about 15 per cent, and the three area coun-

ties of Guysborough, Antigonish and Inverness, the remainder.

"Right now we get about \$55,000 in taxes but when all the plants are finished we will get about that much from each of them," said Mayor Langley.

Thanks to the split, and even more due to \$6,000,000 in interest-free, payment-free loans which start to fall due in two years, taxes for the average home are only \$450.

A sewage treatment plant has been installed and a water pressure system is being completed.

Here in Ontario such a split of taxes is not possible under provincial assessment regulations. Even if it was, Ray Timbs, the regional assessment commissioner has said, it is

doubtful if communities surrounding London could agree — and he was referring to the Ford of Canada taxes that go to Southwold Township.

Mr. Timbs said Alberta is the only province that routinely allows tax splits on industry. He said that unless there was initiative by two or more municipalities for such a thing in Ontario, he doubted if such special agreement would ever be reached before the new provincial economic program is started.

He noted that London wouldn't simply get a piece of Ford taxes under such a split. There would also be the problem of how to distribute taxes from London industries to the surrounding townships in which workers at these industries live.

"It works both ways you know," he said.