



# The Chronicle

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### CITY OF MONTREAL FINANCES.

In view of the widespread interest attaching at the present time to the financial position of the City of Montreal, THE CHRONICLE publishes this week, on page 969, elaborate statistics of the City's assessable values, debt and annual revenue, from the year following Confederation until the present. While the interest attaching to the figures of the earlier years of this long period is mainly historical, those of the later years have an extremely practical bearing upon the financial problems, with which the City is faced at the present time. The whole table constitutes a graphic record of the remarkable growth and development of Canada's metropolitan city during the last half-century.

With regard to the value of taxable property, it will be seen that this attained a maximum of \$623,200,413 in 1914, subsequent years showing a decline, as a result of the collapse of the real estate boom, to \$611,294,255 in 1916, about the same level as in 1913. It is understood that the new assessment shows a slight advance over the preceding figures. Some light upon the City's revenue problems is thrown by the fact that while in the last ten years, the value of taxable property has increased slightly more than three-fold, in the same period the valuation of exempted property has increased about four-fold. In 1906, exempted property was in a proportion to taxable property of slightly over 25 per cent. By 1916, this proportion had increased to practically 33 per cent. The values exempted include Dominion, provincial and civic properties as well as the buildings and lands belonging to religious and educational institutions. This very large proportion of exemptions undoubtedly constitutes a decided handicap to city financing, and is extremely difficult to justify. There is no good reason why land held purely as an investment for profitable future sale, or an institution which while nominally a religious foundation, in fact competes in certain lines of industry with tax-payers, should be allowed to go scot-free from civic dues.

The City's debt has been increased with great rapidity during recent years. In the last seven years, it has been practically doubled, and in the last ten, not far short of tripled. In 1916, the net debt amounted to \$89,340,302, equal to 14.6 per cent. of the valuation of taxable property, and \$140 per capita of the population. The proportion of debt to valuation of taxable property is considerably lower than in some previous periods, but the per capita debt is much higher than at any preceding time during the half-century. In considering

this debt, some regard should be paid to the assets of the City, which appraised at \$42,604,955, represent nearly 50 per cent. of the debt. The City has been considerably improved and embellished in recent years, and needed legitimate expenditures in this direction account in part for the rapid increase in debt. However, there is no doubt also that a considerable proportion of the increase is a result of mismanagement, extravagance and waste.

This maladministration has not been fatal to the City's solvency, as some excited critics would have the public believe, but it has undoubtedly produced a difficult situation through the heavy demands upon annual revenue, of interest and sinking funds. The subjoined table shows that in 1915, interest and sinking funds called for \$4,164,219, and in 1916 for \$4,804,886. For 1917, they are reported as \$5,155,000, and for 1918, estimated at \$5,521,000. Both in 1916 and in 1917, the financially rotten expedient of borrowing to make up a revenue account deficiency has been resorted to, with the result that another \$3,400,000 has been added to the debt. For 1918, a deficiency of \$2,679,000 is suggested. The major problem in connection with the civic finances of Montreal appears to be the obtaining of an adequate revenue, in order to put a stop to the annual deficits. The form of civic administration, in order that that income may be utilised honestly and to the best advantage is another matter.

Following is a summary of the City's revenue account for the last two years:—

RECEIPTS.	1916	1915
Assessments on real estate . . . . .	\$8,481,164	\$8,023,737
Water rates . . . . .	1,458,262	1,353,742
Business and personal taxes . . . . .	991,831	976,948
Licenses . . . . .	401,731	402,140
Market revenues . . . . .	158,426	155,189
Interest collected . . . . .	446,135	380,214
Tramways Co. percentages . . . . .	429,215	870,892
Other . . . . .	198,021	142,109
<b>Total Revenue . . . . .</b>	<b>\$12,564,786</b>	<b>\$12,304,971</b>
Balance from preceding year . . . . .	441,820	375,842
Deficiency Loan . . . . .	2,000,000	
Funded and floating debt account . . . . .	19,348,656	19,891,318
	<b>\$34,355,262</b>	<b>\$32,572,131</b>
DISBURSEMENTS.		
Interest and sinking funds . . . . .	\$4,804,886	\$4,164,219
Paid over to School Commissioners . . . . .	2,064,550	2,009,820
Administration expenditures . . . . .	6,934,432	6,785,993
Loan and special disbursements . . . . .	18,236,450	19,170,278
<b>Total Disbursements . . . . .</b>	<b>\$32,040,318</b>	<b>\$32,130,311</b>
Balance forward . . . . .	2,314,944	441,820
	<b>\$32,355,262</b>	<b>\$32,572,131</b>