

Municipal Finance

By JAMES MURRAY.

STANDING MUNICIPALITIES IN SASKATCHEWAN.

In his annual report for the year ending April 30th, Mr. J. N. Bayne, Deputy Minister for Municipal Affairs, Saskatchewan, is very optimistic regarding the financial standing of the municipalities that come under his jurisdiction. Particularly does he make a point of accentuating the fact that not one of the municipalities has repudiated its indebtedness. That is as it should be, for in spite of the real estate speculation—one might say gambling—that has been the bane of our Western municipalities, the councils on the whole have kept their heads and kept their credit, though since the war started it has been hard work. The report itself is valuable as showing the complete check, that a department for municipal affairs has on local expenditure. The following is taken from Mr. Bayne's Report:—

The municipal prosperity of the Province of Saskatchewan has not diminished but has rather increased at an accelerated rate during the past twelve months. This fact is demonstrated by the substantial cash surpluses shown by so many of our municipalities at the end of the last calendar year, and by a general clearing of debts and taxes hitherto not experienced during a similar period of the existence of the province.

Debts are not now undertaken with that freedom from foreboding which characterised borrowing when real estate values were soaring and credit was so easy to secure. Comparatively few municipalities attempted to borrow by debenture during the past year while temporary loans were usually brought down to a minimum. Our municipal councils as a rule soon fell in line with the policy of "thrift and economy," thereby observing the necessity of conserving resources for a time of stress which it is feared must follow close after the war.

The average cash balance for each rural municipality is \$7,500, according to the 1916 annual financial statements.

It sometimes takes a war to break down the artificial. That there were unreal values attached to much urban property, particularly that part which never should have been anything but acreage, is now very apparent. It is indeed a great wonder that even in the days of surging prosperity it was not recognized that a sky-line subdivision lot had no genuine value excepting as acreage. However, the assessors throughout all urban and rural municipalities are generally adopting sane methods in arriving at values for assessment purposes. Great credit is due to the majority of these officials in the efficient handling of difficult problems with which they are confronted. At a time when real estate is not in heavy demand, values are hard to decide upon, as a "selling price" is so frequently non-existent.

No Repudiation of Debt.

Notwithstanding obstacles thrown in the pathway of municipal progress by the decline of demand for real estate and the existence of a world war, Saskatchewan's municipalities have almost altogether avoided financial hardships. It is true, as mentioned in a previous report, that there are three towns which had difficulty in meeting their debenture coupons and for which a re-arrangement of their funded indebtedness was necessary, but, it may be repeated, no municipal institution in Saskatchewan has repudiated its debts nor shown an inclination to disregard its creditors. It speaks volumes for Saskatchewan's stability as a province when it is recognized that out of six hundred and ninety municipalities only three are at present in actual difficulty, particularly so when the province came through an era of optimism which encouraged borrowing in every possible way.

Municipal life in the province is assisted by the existence of two associations known as the "Union of Saskatchewan Municipalities" and the "Saskatchewan Association of Rural Municipalities." As already intimated, the first is representative of cities, towns and villages, the latter of rural municipalities. These are made up of elected and appointed officials of our municipal institutions. Annual conventions are called where municipal problems and legislation are discussed. The two organizations perform a real service for Saskatchewan.

Incidence of Taxation.

The incidence of taxation generally, but more particularly in our cities, towns and villages, is a subject that has engaged the attention of many prominent citizens of the province. Some of them claim that too much of the tax

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