

News of Municipal Finance

Vancouver is Experiencing Taxation Troubles—Some Suggestions are Advanced—Latchford is Recovering After Being Nearly Extinct—Winnipeg Hydro-Electric Surplus Much Greater—Calgary's Revenue Explained By Percentages—Guelph Assessment Increased

Peterboro', Ont.—Fares on the Peterboro' Street Railway on December 1st will be raised to seven cents, or four tickets for 25 cents, following the decision of the Board of Railway Commissioners to that effect. A deficit of \$20,799 for the railway at the end of August, 1920, is reported.

Edmonton, Alta.—Fully 60 per cent. of this year's current taxes have been collected in the last ten months, says City Comptroller D. Mitchell in his quarterly report to the city council. Including collections for October, the city has taken in approximately \$3,365,924, of which \$2,559,129 were 1920 taxes. On a proportionate basis, expenditures have been kept well within the estimates, says the comptroller.

Guelph, Ont.—The assessment figures for 1920, as compiled by Assessment Commissioner Hastings, show that the total assessment is \$13,330,675, an increase of \$961,860 over last year. The advance is general all over the city, and Mr. Hastings states that, even with this increase, he has not raised the assessment in proportion to the prices at which real estate is being sold. There has also been an increase in the population of 890, bringing the total population of the city up to 17,922. Including College Heights, the population is considerably over 19,000.

Calgary, Alta.—A number of charts have been prepared by W. C. Wood, city comptroller, showing the distribution of civic revenue in 1920, with comparisons. Under the heading of "Where It Comes From," the following percentages are shown: General revenue—General taxes, 48.94, 1919, 47.329; business tax, 3.07, 1919, 2.92; sundry revenue, 4.57, 1919, 5.99; provincial war tax, .80, 1919, .99; special levy, uncollectable taxes, .84, 1919, 1.02. Utilities—Electric light and power, 13.12, 1919, 11.85; market and weighing scales, .24, 1919, .20; paving, 1.29, 1919, 1.89; street railway, 14.12, 1919, 13.02; waterworks, 6.55, 1919, 7.201. Local improvement taxes—Property tax, 6.46, 1919, 7.58. Total, \$6,656,995.

Under the heading of "Where It Goes," it is shown that money expended on utilities increased 1.135 per cent., while above, receipts show an increase of about 1.159 per cent. The surplus on general government is estimated at .02 per cent., as against .002 last year.

Winnipeg, Man.—The city's Hydro-Electric system surplus increased 318 per cent. during the year ended September 30th, according to the official statement of the city light and power department, issued recently. The surplus was \$213,077 as compared with \$67,411 at the corresponding date in 1919. September receipts aggregated \$111,510, as against expenses of \$122,700, leaving a deficit for the month of \$11,196. Department officials forecast that books for October will record a large surplus now that more demands are made on current as nights become longer.

Assets of the system are \$14,185,535. Of this amount, property and plant are valued at \$9,710,794; sinking fund investments, \$913,026; treasury securities, \$1,474,000; investment of depreciation reserve, \$401,007; cash in bank, \$1,238,863; accrued interest on investments, \$10,352; accounts receivable, stores, consumers' wiring and installation and sundry current assets, \$433,813. Prepaid insurance is \$3,617. Among the capital liabilities are city of Winnipeg consolidated stock, \$6,912,000, and city of Winnipeg debentures, \$1,999,000. The depreciation reserve is placed at \$1,536,259, investments with sinking fund trustees, \$913,085, and annual levies accrued, \$113,965.

Latchford, Ont.—After being almost extinct for some time, Latchford, a northern Ontario town, is on the way to recovery. In the early days of the T. and N.O., and when Elk Lake, Gowganda and Matachewan were attracting considerable attention, Latchford also drew attention. It was at the junction of the T. and N.O. Railway and the Montreal

River. It was here that all the freight for up the river was transferred from the trains and placed on the boats. This brought prosperity to Latchford, and it grew quite rapidly. The T. and N.O. hit it a fatal blow, however. It acceded to the demand for the extension of the railway into Elk Lake.

When the town went under it had a bonded indebtedness of about \$7,000. This was not met. It seemed that the only chance was to seize the town. After the town went under, however, the schools were kept going, but even this at last succumbed, and the result was that some fifty odd children had no facilities for education. Dr. J. B. McDougall, the assistant chief inspector of schools, was informed of the situation, and he first took the matter up at Toronto. There was no precedent in history to go by, so he paid a visit to Latchford. He insisted that the school be opened, promising that the cost would be looked after in some way. Then he secured the attention of some of the interested men in the town, and finally he was able to prevail on them to resurrect the municipal machinery. This they have just done. A new mayor, Hugh McNeil, has been named, with Messrs. Michael and Cameron, chairman and secretary of the School Board. The town's indebtedness will be taken up, and the bondholders may be assured that soon steps will be taken to meet the interest, and it is likely that the new council will start a sinking fund for the redemption of the bonds.

Vancouver, B.C.—Like other cities in British Columbia, Vancouver is experiencing considerable trouble regarding taxation matters. In a recent editorial the Vancouver *Sun* speaks of the situation as becoming serious and suggests some methods of revision. The editorial says in part:—

"The monetary situation of the city cannot, as yet, be fairly described as serious, but it will begin to verge in that direction unless something is done pretty soon. The problems involved cannot be permanently solved by persistently pretending that they do not exist. The trouble began several years ago, and had its root in the regrettable policy of postponing tax sales, with the inevitable outcome that municipal finance became subordinate to municipal politics, and enormous arrears were allowed to accumulate. The difficulty was accentuated by the removal of the taxation from improvements and the placing of it altogether on land—a method whose inherent weakness became evident as soon as land values began to decline.

"Vancouver has acted on the principle that 'the art of taxation consists in plucking the goose so as to get the maximum amount of feathers with the least possible squawking.' This plan worked all right until the property-owners banded themselves together for mutual protection. Now it will not work any longer. But the question of how the city got into its present fix is entirely secondary to the question of how it is going to get out. For this purpose, has anything yet been proposed fairer than the business tax? This might be based upon the assessed capital value of the real estate occupied, as in Ontario. If this is not considered satisfactory, try the Winnipeg plan of basing it on the assessed annual rental value of the premises. Either plan, or a combination thereof, will have the fundamental virtue that it will raise the money needed.

"In taxation matters, Vancouver is at a disadvantage, in that an exceptionally large proportion of those whose incomes are earned within the city reside beyond its limits. The suburban municipalities are in reality residential quarters of Greater Vancouver, but are beyond the tax jurisdiction of the city council. Unless there is an amalgamation, this difficulty will tend to become more accentuated with lapse of time. The suburbs will grow and the city become more and more a business section."