

The Monetary Times

AND TRADE REVIEW,

With which has been incorporated the "Intercolonial Journal of Commerce" of Montreal, the "Trade Review" of the same city (in 1870), and "The Toronto Journal of Commerce."

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION—POSTAGE PREPAID.

Canadian Subscribers.....\$2 a year.
British ".....10s. sterling a year.
American ".....\$2.50 U.S. Currency

BOOK AND JOB PRINTING A SPECIALITY

Office—Nos. 64 & 66 Church St., Toronto, Ont.

EDWD. TROUT, MANAGER.

TORONTO CAN., FRIDAY FEB. 4 1881

MUNICIPAL FINANCES OF ONTARIO.

The Treasurer of Ontario, Mr. Wood, in his budget speech, diverged from the main topic of his discourse to present some interesting information on the subject of municipal assessment, taxes and debt. He drew from two sources of information: a return furnished by the clerks of municipalities and the auditor's abstracts of receipts and expenditures. The two do not agree. The latter was treated as the more reliable. But when we come to examine it, we cannot say that we feel our foothold so sure as Mr. Wood does. The assessment receipts for 1879 were found to be \$7,872,461. The rate of taxation varies very much of course; but Mr. Wood concludes that the average is something less than a cent on the dollar. We do not know how this average was arrived at; but it can only be an approximation to the exact truth. Mr. Wood got returns from 552 townships, nearly the half of which—250—are assessed for all purposes under one cent.

63 are assessed at	1c	and under	1½c
28 " " "	1½	"	2
6 " " "	2	"	2½
5 " " "	2½	"	2¾
8 " " "	2¾	"	3
14 " " over	3		
11 villages are under	1		
81 " " rated	1	"	1½
38 " " " "	1½	"	2
11 " " " "	2	"	2½
8 " " " "	2½	"	2¾
6 " " " "	2¾	"	3
6 " " " over	3		
9 towns are assessed	1	"	1½
29 " " " "	1½	"	2
9 " " " "	2	"	2½
5 " " " "	2½	"	2¾
5 " " " "	2¾	"	3
1 town is assess'd ov'r	3		
7 cities " "	1½	"	2
2 " " "	2½		

If the assessable area in each township, town and city were always equal, the means of striking an average would be clear; but as this is not so, a disturbing element comes in. And yet, on the accuracy of this average very much depends, because from it is deduced the total value of the assessable prop-

erty in Ontario. The latter sum is set down \$787,000,000. This conclusion would be at correct, if we were sure of the foundation work; but the truth is the average cannot be made with exactness, since the materials for making it are wanting.

But when we have got, in this way, the assessed value, we are as much at sea as ever. The assessed values are all sworn to be the actual values; but it is notorious that they are far from being so. Mr. Wood tries to arrive at the truth by adding forty per cent. to the assessed value. He may be justified in doing so; but it is still true that figures, sworn to as correct, which yet require so much correction, cannot be looked on as very trustworthy. We cannot be sure that forty per cent. added to the sworn value gives us the true value. We are quite sure that in Toronto, of which the revenue is about one-tenth of all the assessed revenue of Ontario, no such addition can be made to the assessed value without going far beyond the true value. Very often, when the question of value comes before the County Court, there is found to be an over-assessment. But Mr. Wood is undoubtedly correct in assuming that, as a whole, the Ontario assessment is considerably below the real value. The difficulty is in saying how much. Any percentage that may be assumed, is necessarily arbitrary and open to question. Among the evil habits for which it seems impossible to get a cure, is that of assessing township property far below its value. If the deviation from the true value were uniform, there would practically be no difference in the end; but fictitious values must always vary with the caprice that makes them. The attempt to equalize assessments essentially false is a leap in the dark; the pretended correction, being made in the bulk, is the roughest way of arriving at averages in a matter regarding which truth is to be got at only in detail. If the true value were given by the assessors, to the best of their ability, there would be nothing to equalize, and the best possible guarantee that every man would bear his fair share of local burthens, would be given. Assessors have been known to swear to their valuation as correct, and afterwards to swear that it was only two-thirds of the real value. An assessment that does not aim at accuracy is a fraudulent assessment; and men systematically guilty of making such assessments, ought to be held to strict account. But as false assessments do not admit of scientific correction, we shall in vain attempt to add to or subtract from them, if our object be to get such precise information as statistics are supposed to be able to give.

Mr. Wood, on the strength of an average which he has taken pains to make as accurate

as possible, but which cannot be made with precise accuracy, finds the assessed value of property in Ontario to be \$787,000,000; and he corrects these figures, in the way we have mentioned, by making it \$1,200,000,000. We may remark, however, that forty per cent. of which Mr. Wood had before spoken, added to \$787,000,000, will not give \$1,200,000,000. He may be within the mark in making this addition; but whatever importance we may attach to the correction, we are not at liberty to forget that we are dealing with conjectural figures, arrived at by taking notoriously false values, sworn to as true, and changed by an addition which is intended to bring us to the truth, but which is necessarily arbitrary.

Municipal debt is naturally viewed in relation to revenue and taxable property. The debenture debt is given at \$22,000,000; and even here Mr. Wood has had to add two millions to the returns before him, by way of correction. Of course not all the municipalities are in debt; and of those that are, Mr. Wood estimates the value of assessable property at \$500,000,000. But as every tub must stand on its own bottom, averages would here be of no value and aggregate amounts must be looked at in connection with the details which compose them. Municipal revenues are not always confined to the assessed taxes. The assessed taxes, in 1879, did not reach eight millions; while the total revenue was over eleven millions (\$11,137,747.10,) and the expenditure \$993,361,736. If we deduct the railway stocks in which the municipalities have invested, we might assume that they possess the means of reducing their liability to about seventeen millions,—\$17,025,795 is the amount given by Mr. Wood—but this would be delusive. As a realizable asset, railway stock in the hands of a municipality is generally valueless.

Mr. Wood has shown by figures which, if sometimes conjectural, do as a whole throw light on the subject, and show that the municipalities of Ontario are not in a bad position financially. But the statement is made without a resort to detail in which only, if anywhere, the weak spots could be found. After all, the trustworthiness of any municipality must be sought in its own financial condition. There, investors will do well to look, and there alone.

A NEW TRUNK LINE.

The existing trunk lines of railway between the Western States and the seaboard are threatened with a formidable opposition. An air line is first to be built between New York and Chicago and finally carried to Omaha. A very powerful combination has been made to do the work, by the consolidation of five railway companies, organized in