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VANCOUVER.*(Continued from Page 379.)***Saskatoon Report.**

four per cent basis upon which the sinking fund is levied. According to the City Act, any such surplus earnings can be taken into current revenue, so that it will be readily understood how necessary it is that the sinking fund be judiciously handled.

Part III. deals with the public utilities and shows that in spite of the large increases which have been made in wages and the cost of material, the three utilities, i.e., Electric Light and Power, Waterworks, and Street Railways, will show a net profit of \$12,500 at the end of the year, after paying fixed charges, etc. This result has been obtained without increasing rates, in fact rates for electric light and water are lower today than before the outbreak of the war.

Part IV. deals with the future requirements and development of the city and strongly advocates that no further capital expenditure be incurred until conditions are more stable than they are at the present time. This part clearly shows what financial obligations the city will have to bear and the increase in the tax levy if all the suggestions necessitating capital expenditure are carried out.

City of Regina

In a comprehensive report to the City Council of Regina, Commissioners H. Black and L. A. Thornton make very clear the standing of this Western city. Each of the municipal activities are explained in detail, the public utilities showing a net deficit of \$7,708, not at all a bad showing when it is considered the low charges on the Street Railway, which shows the biggest deficit. The Electric Light & Power Department on a turnover of \$336,676 made a net profit of \$4,889.

In an introduction to the report, the Commissioners says:

The rapid expansion of the city in the years just preceding the war brought about conditions with which it has been exceedingly difficult to cope during the five years ending December 31st, 1919. Speculation in land values had forced up the assessment beyond reasonable bounds and great dependence was placed upon land as a source of revenue for municipal purposes.

With a high assessment there were wide limits to the power of the city to borrow for capital expenditures, and schemes of improvements, then termed comprehensive, were launched, involving the issue of debentures in very large amounts. In the year 1914, the carrying charges on these debentures assumed a material part in the tax levy, in addition to which there were further maintenance costs to be provided in respect to the new improvements.

In contrast with the annual increase in population experienced up to that time, the commencement of the war brought about a reduction, thus leaving fewer people to share the expenses of the city. The vacant land, which had been a fruitful source of revenue, failed to produce the amounts required of it; and means of tax enforcement had to be devised, which resulted in the Tax Arrears Act. This legislation has proved reasonably effective in that it limited the time in which taxes on real estate could remain in arrears before confiscation proceedings were taken, and imposed heavy penalties upon arrears. In view of the definite provisions of this act in this regard the city has been enabled to borrow from the bank on the credit of arrears of taxes in anticipation of their payment, and has thus been in a position to meet its current obligations. These arrears and borrowings become very large, as will be indicated in detail below, and were the subject of very grave concern to those entrusted with the responsibilities of city government. In addition to the foregoing there were many new items of expenditure to be provided for, which were peculiar to the war years, and there has been a general increase in the cost of services and materials. These influences have culminated this year in the highest rate of taxation in our experience. It may be stated that this city has not been alone in this regard, and that other Western cities are in a similar position.

We are of opinion that the condition noted will, beginning next year, steadily improve. Population is again on the increase, as witnessed by the acute demand for housing accommodation; taxes are being more promptly paid and the arrears and bank loans are being materially reduced. The plant of the city, consisting principally of its pavements, and sewer, water, light and street railway systems, is so extensive that a large increase of population can be ac-