MONTREAL BUDGET STRENGTHENS FINANCES

Administrative Commission has Cut Expenditure—Realty Tax not to be Increased

On December 27th, 1918, the Montreal Administrative Commission submitted its 1919 budget to the city council; the estimates and recommendations were adopted on the 30th, as submitted.

The estimates for 1919 are divided as follows: Interest, \$6,158,359; sinking fund, \$763,450; school tax, \$3,981,191; reserve fund, \$568,354; salaries and wages, \$4,194,933; general administration, \$3,043,672; probable loss of revenue, \$150,000; pensions and annuities, \$85,000, making a total of \$18,944,850.

The sources of revenue for this year are stated to be as follows: Assessments, \$13,594,724; water rates, \$1,586,891; business taxes, \$1,233,523; and other sources of revenue, including \$500,000 from the Montreal Tramways, make up the grand total.

In an accompanying statement the administrative commission give certain details of their own work during the time they have been in office. They say, among other things, that they made a saving of \$452,000 since last June by the retrenchments they put into effect in the administration of the city. They further state that while the revenue available for 1919 amounts to \$18,944,850, which is a million more than for 1918, the city has actually \$206,000 less revenue for administrative purposes for 1919. The additional revenue is derived from an increase of the school tax, and it goes to the cause of primary education.

In spite of the fact that the revenue for 1918 decreased by \$456,000 owing to depreciation of property, and cost of labor and material increased by \$205,000, there will be no deficit. Taxation will be about the same as in 1918, the reduction in revenue being met by cutting expenses.

Last Year's Taxes Retained

During 1918 the commissioners were empowered by the legislature to levy new taxes, which power they will retain for 1919, as the city cannot be governed without this new revenue. This new taxing power was created by the legislature for the express purpose of wiping out future deficits. It consists of increasing the realty tax from \$1 to \$1.35, the water rates from 4 to 6 per cent., the business tax from 7½ to 8½ per cent., and the bachelors' tax, which has been a mixed success. The commissioners may, if they choose, levy a rate of \$1.50 on real estate, that being the maximum figure authorized by Quebec. It is explained that even with the new taxes the commissioners have \$456,000 less revenue than they had in 1918 and they are also obliged to pay out another \$200,000 more on account of the increased cost of labor and material. They are meeting this situation by cutting down the cost of administration, instead of raising the realty tax.

The actual revenue in 1918 after deducting the school tax, was \$15,169,382, while for 1919, after substracting the school tax the revenue left is but \$14,963,659.

When the budget report was received by the city council several amendments were suggested. The tax of \$1.35 per hundrd dollars of reality was at the same time renewed for 1919. Many motions were put forward for the reduction of expenses, but these were lost when it came to a vote in the council.

Taxation of Public Utilities

The special surtax authorized by the legislature last winter to be levied on public utility companies making use of the public streets, produced a revenue last year of about \$250,000. While two companies are contesting the city's valuation of their property, consisting of wires, cables, conduits and the like, this has nothing to do with the principle of the surtax, which was authorized for the years 1918-19-20.

The clause in the city charter authorizing the surtax states that the city is empowered to impose it during the years specified, on the property situated in the streets, lanes and public places of the city, belonging to any telephone, telegraph, lighting, gas, electric power or waterworks company, or to any company operating public utility services of any kind, and making use of the city streets, lanes or public places for its operations. Such surtax shall not exceed 1 per cent. per annum in the case of waterworks companies, or 5 per cent. per annum in all other cases of the value of the property, as entered on the valuation roll in force, and shall be shown every year on the valuation and assessment rolls. The Montreal Tramways Company shall be exempt from such tax, concludes the clause.

Valuations are Protested

The highest tax is on the property of the Montreal Light, Heat and Power Company. It amounts to \$125,030, which has not yet been paid, as the company is contesting the city's valuation on which the tax is levied.

The Bell Telephone Company comes next with a tax of \$107,472. The tax on the company is levied on its poles, wires, overhead cables, underground conduits, telephone instruments, etc., on which the city placed a valuation of \$2,149,450.

The valuation of the pipes, special hydrants and water services of the Montreal Water and Power Company was estimated by the city to be \$1,849,500, but as the rate is only 1 per cent. on companies supplying water, the tax amounts to only \$18,495, which sum was later reduced by the city, as the company contested the valuation.

The valuation of the poles, wires and cables of the Great Northwestern Telegraph Company being \$23,050, the amount of the tax was \$1,152. The Canadian Pacific Railway Company's valuation within the prescribed limits being \$35,000, the tax amounts to \$1,750.

The surtax on the property of the Shawinigan Water and Power Company amounts to \$1,875, on a valuation of \$37,500. This matter is under contestation.

The by-law begins by declaring that a special assessment shall be levied from May 1, 1919, to April 30th, 1920, on taxable immovables within the city, with the exception of territory of the former municipality of Maisonneuve. Proceeding, the by-law specifies what are immovables, such as lands, buildings, pipes, poles, wires, rails, etc., and then states the rate of taxation as well as the surtax on public utility companies which make use of the public streets as follows:—

"Such assessment shall be one dollar and thirty-five cents (\$1.35) per each one hundred dollars (\$100) of the value of such property, as entered on the valuation roll, and shall constitute a charge upon the said immovable property, and the owners thereof shall be personally liable therefor.

"A special real estate surtax is hereby imposed and shall be levied, for the year beginning on the 1st of May, 1919, and ending on the 30th of April, 1920, on the property situate in the streets, lanes and public places of the city, belonging to any telephone, telegraph, lighting, gas, electric power or waterworks company, operating public utility services of any kind whatsoever and making use of the city's streets, lanes or public places for its operations.

"Such surtax to be 1 per cent. of the value of the property belonging to waterworks companies, as entered on the valuation roll in force, and 5 per cent. of the value of the property as entered on the valuation roll in force belonging to other companies than waterworks companies.

"Such surtax shall constitute a charge upon said property and the owners thereof shall be personally liable therefor. The Montreal Tramways Company shall be exempt from such tax."

Exemptions Should be Cut

A proposal was also submitted to the city council by Alderman Dixon to the effect that exemptions should be cut down. His interpellation read:—

"Alderman Dixon is of opinion that, for the next four or five years, the city should collect all taxes on exempt property, with the exception of churches, schools, hospitals and benevolent institutions. It must be remembered that, for a time at least, the city requires all surplus revenue it can get from all sources. Inasmuch as it is a well-known fact that the real estate is already overburdened, and that