THE SINKING FUND OF WINNIPEG

The city of Winnipeg is to be congratulated on the continual success of its Sinking Fund Commission. Though the fund has only been in operation three years it has, according to the annual statement of the trustees for 1921, assets amounting to $13,160,446, a sum equal to $278.88 for every $1,000 owing by the city. The effect of such a favorable showing on the sale and price of Winnipeg securities is obvious—"the price received in every case (for debentures sold during the year) compared very favorably indeed with the prices realized on other issues of Provincial and Municipal bonds in the same market."

To administer this fund cost the city $14,186, or one per cent., which of course is more than offset by the increased value of its assets. Not many municipalities can boast a record like that of Winnipeg's. Attached to this 1921 report are the clauses—taken from the City Charter—under which the Sinking Fund Commission was established, and also the powers and duties of the trustees. This addition is very instructive to any municipal council desiring to follow the wise plan of Winnipeg and establish a sinking fund commission.

The commission also administers the Civic Pension Fund and the Workmen's Compensation Reserve Fund of the city.

ENCROACHMENT ON MUNICIPAL RESOURCES

(Continued from page 59)

In the United States the government pays one half of all the cost of administration of the District of Columbia.

It is not necessary in this memorandum to set out the financial difficulties of the municipalities, the members of the government are no doubt well aware that it is getting almost impossible for a municipality to finance its expenditure, when its main source of revenue is from a tax on property. The strongest possible appeal is therefore made that the government will discontinue the supplementary revenue tax, first introduced during the war as a patriotic tax and the revenue from which, it was stated, was required purely for patriotic purposes; also to discontinue levying taxes which are properly claimed as municipal taxes, i.e. the amusement tax, license fees and the Corporation Tax, and to give power to the cities to impose and collect such taxes. It is also strongly urged that the cities are entitled to at least fifty per cent of the revenue from automobile license fees levied upon and collected from cars owned by residents of the cities, so that same can be expended upon the maintenance of roads within their own limits which have got into a bad state of repair for the reason that the municipalities are unable to incur any greater expenditures and are unable to collect more revenue through the Provincial Government encroaching upon its sphere of taxation.

It is realized that the Provincial Government has financial difficulties of its own and for that reason the request for a larger contribution towards the cost of education and hospital services is not pressed to-day, although it is felt that the municipalities are justified in making a demand for additional contributions towards the cost of these services which are Provincial wide in their benefit.

REDUCTION IN ASSESSMENT AND TAX RATE IN EDMONTON.

For 1922 a total readjustment has been made in the city's assessment. All property which has been purchased by the city at Tax Sales and in respect to which the redemption period has expired, has been removed from the assessment roll, and the outlying vacant property has been considerably reduced in value, so that the net assessed value of property for taxation this year will amount to approximately $62,000,000, compared with $80,202,245 in 1921, a reduction of $18,202,245, or 22.6 per cent.

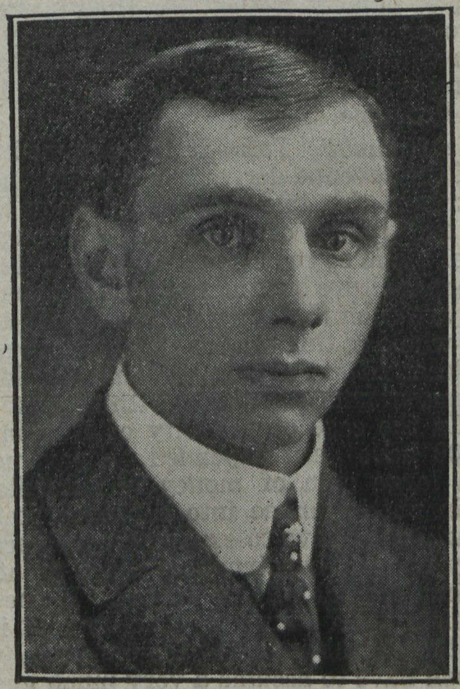
This reduction in the assessment with the same mill rate as last year, i.e., 39.90 mills, means a loss in revenue of $726,269.57. In order that the advantage to be obtained by reducing the assessed value of property will not be offset by an increase in the tax rate, revenue has to be obtained from other sources and expenditures have been reduced. This year the public utilities, in addition to paying all operating charges, interest, sinking fund and depreciation, will pay $320,000 into current revenue by way of taxes and in addition the large discount of 10 per cent for prompt payment of taxes, which has meant that $250,000 had to be included in the tax levy will be discontinued and a per centum charge will be made on current taxes not paid before the 1st June.

Reduction in Property Tax of $1,098,340, or 31.02 per cent.

The tax on property in 1920 was $3,540,220.13; in 1921 $3,191,989; and this year will be $2,441,879, or a total reduction of $1,098,340, or 31 per cent.

The tax rate this year according to the Budget which has been submitted to the Council will be 39.70 mills compared with 39.90 mills in 1921 and 45 mills in 1920.

—Commissioner Yorath.



COUNCILLOR JACK LOUTET,
President of B.C. Union of Municipalities