

News of Municipal Finance

Financial Condition of Saskatchewan Municipalities Does not Constitute any Cause for Anxiety on Part of Bond Holders, States Hon. George Langley—Growth of Montreal's Debt—Ontario Municipalities Show Substantial Increases in Assessment

THAT there is nothing to be alarmed over in connection with the financial condition of certain towns in Saskatchewan, is the statement of Hon. George Langley, provincial minister of municipal affairs. This remark was made following publicity in the press of eastern Canada, regarding the affairs of Battleford, Canora and Humboldt. This minister stated that he does not consider that the financial condition of either of these municipalities constitutes any cause for anxiety on the part of the bondholders.

"It is inevitable in a developing province that centres of population should be affected by the location of the railway lines," said Mr. Langley. "This has been particularly the case in connection with the town of Battleford. The establishment of North Battleford as a separate municipality on the opposite side of the Saskatchewan River has resulted not only in arresting the growth of the old town but has withdrawn a large amount of the patronage upon which the old town formerly depended. The bondholder, like other investors, has to hazard results under circumstances like these, which are more or less inevitable."

The financial condition of the town of Humboldt has been seriously affected by the fact that although a railway town, the railway itself has not been taxable. "Should the Dominion government, as holder of the majority of the stock of the Canadian Northern Railway, waive its right to immunity from taxation," said Mr. Langley, "the town would in a very short time be financially on easy street."

The town of Canora is and will in all probability continue to be the centre of a prosperous farming district, according to Mr. Langley, so that no difficulty should be experienced by the Local Government Board in making an arrangement that will eventually give the holders of its bonds full protection and ensure a settlement that will not entail any loss upon them.

"The statement in the press that the bondholders of the towns mentioned are reported to have shown considerable reluctance to place themselves in the hands of the Local Government Board and thereby sign away their rights without having any intimation in advance of what the Local Government Board will do, surprises me not a little," continued Mr. Langley, "as the board's action has always been taken as much in the interest of the bondholders as in that of the municipalities themselves. The Local Government Board has at all times shown itself ready to allow bondholders to exercise their legal rights if they thought it in their interest to do so. As the towns mentioned form a very small exception to the good standing of the municipalities in Saskatchewan, I think that the general condition is one that merits congratulations rather than otherwise."

At a meeting of bondholders of the town of Melville, Sask., it was decided to recommend that the affairs of the town be placed in the hands of the Local Government Board of Saskatchewan. A communication was read from the secretary of the Local Government Board, conveying the information that the officials at Melville are confident that they will be able to pay up all arrears before the end of 1920, and a full report by auditors will be placed in the hands of the bondholders in the course of about six weeks.

Woodstock, Ont.—Total general assessment now amounts to \$6,369,558, an increase of \$931,113 over 1919.

Barrie, Ont.—The assessment roll of the town shows a total valuation of \$4,415,794, which is an increase of \$120,275 over last year.

Winnipeg, Man.—Total tax collections during September amounted to \$2,265,049, bringing the grand total to date, since May 1, up to \$3,402,620.

Toronto, Ont.—Total receipts from the civic railway for September, amounted to \$46,558, an increase of \$6,956 over

the previous month, and \$7,957 over the same month a year ago.

Sandwich, Ont.—The town's population has increased from 3,643 to 4,153 during the past year, according to figures prepared by the town assessors. Property valuation is placed at \$7,716,835, and taxable property, after exemptions, at \$6,159,625.

Brantford, Ont.—According to a recent statement made public, assessment figures of the city are as follows: Total taxable assessment, \$25,178,505; total exempt assessment, \$4,686,900; grand total of general assessment, \$29,865,305; total increase in taxable property, \$3,493,185; total increase in business, \$321,705; total increase in income, \$401,140; total increase in taxable assessment, \$4,216,030.

Vancouver, B.C.—Comptroller Pilkington, at a recent meeting of the civic finance committee, urged economy in the various departments of the city during the remainder of the year. A net operating deficit of about \$61,000 faces the city, unless certain measures are taken, according to the comptroller. The city is at present making arrangements to engage a tax expert to report and recommend on the best sources from which to obtain more revenue. Civic tax receipts to date this year, according to figures compiled up to the end of September, amount to about \$5,000,000.

St. John, N.B.—At a recent meeting of the city council Mayor Scholfield reported that the city's bank overdraft at June 30th last was \$402,441, of which amount \$74,770 was arrears in taxes.

The city's proportion of tax arrears for the four years from 1916 to 1919 is as follows: 1916, \$9,389, worthless; 1917, \$14,529, 5 per cent. collectible; 1918, \$24,186, 12 per cent. collectible; 1919, \$12,578.40, 40 per cent. collectible. There are ninety-two taxpayers in arrears to the amount of \$50 or over. One-half of this number are paying on account.

Montreal, Que.—According to civic statistics published recently in the city, fully a third of the annual income has to be set aside for interest charges. Six and a quarter millions are consumed in interest, while three quarters of a million must be deducted from revenue for the sinking fund. As the total revenue is twenty-one millions, there must be taken from it seven millions for interest charges and the sinking fund. The city has two "permanent loans, one amounting to half a million and bearing the rate of 7 per cent., and the other seven millions, but bearing the interest rate of 3 per cent." These two permanent loans were floated many years ago, when the city particularly needed money. From time to time efforts have been made to arrange so the loans would be taken up, but the holders showed no ardent desire to comply with the request.

Figures are given showing that the bonded debt goes back to 1848. In that year, by act of parliament, the city was authorized to issue bonds to the amount of \$200,000 to purchase waterworks. A number of other loans quickly followed for sewers, additions to the waterworks, etc., until in 1867 the total debt amounted to five millions. In 1868 the first issue of bonds became due. Nine years later the debt was close upon ten millions. In 1888 it was eleven and three-quarter millions, and ten years later again, in 1898, it had gone up to twenty-seven and a half millions. In 1906 it was a shade over thirty-one millions. From there it increased as follows: 1910, \$49,102,727; 1911, \$63,352,900; 1912, \$68,359,860; 1913, \$83,736,805; 1914, \$97,017,420; 1915, \$98,720,745; 1916, \$100,000,000; 1917, \$102,000,000; 1918, \$121,276,622; 1919, \$122,000,000. The principal cause of the marked increase in 1918, over 1917, was the enforced annexation of Maisonneuve.