

during such times, on the expectation that the stream of prosperity is to flow on without interruption ad infinitum. Several municipal corporations in Manitoba did not avoid this danger, but on the contrary went straight into it.

During the "boom" period almost worthless real property was valued at high figures, and tax rates were calculated upon an inflated and rapidly increasing assessment. Consequently debts were contracted, which, though apparently not excessive when based on the inflated assessment, became prodigious when the assessment had shrunk to normal figures. Thus the shrinkage in the assessment of a town from two or three million dollars to figures within the hundreds of thousands, as was actually the case, put quite a different appearance upon the financial situation of the place. In order to pay obligations, the tax rate had to be increased in proportion as the assessment figures decreased. Of course this was not always practical. Beyond a certain rate the people would not pay their taxes, and to attempt to enforce anything differently would only be to defeat the object sought. For instance, if a tax were levied so excessive in its nature that the people could not meet it, the effect would be to still further decrease the value of the property, and on an attempt to seize or sell to meet liabilities the real property of a town would be rendered about absolutely worthless. To attempt to "close out" a town the same as a stock of goods, to meet obligations, would therefore defeat the object sought, and bring greater disaster upon the creditors. This was the position in which several municipal corporations in Manitoba found themselves following the collapse of the "boom." The property owners were unable to pay a tax rate sufficiently high to meet liabilities, and in order to prevent action against the corporation, the councils resigned and left municipal matters in a state of chaos.

The bill which has been introduced into the Legislature applies only to the town of Portage la Prairie, but it is understood that the principle contained therein may be applied to other "diseased" municipalities, under separate acts. The bill is intended to provide first for the re-establishment of municipal government for the town, and secondly for the fixing of the rate of taxation. After the council has been duly elected under the proposed act, it is provided that an assessment for the

municipality shall at once be made, and a rate of 21 mills on the dollar shall be levied on this assessment. During the time the act shall remain in force, the rate shall continue to be 21 mills on the dollar. It is further provided that the taxes so collected shall be applied as follows: Nine mills for educational purposes, five mills for current municipal expenses, and the remaining seven mills on the dollar shall be deposited in a chartered Bank in Manitoba to the credit of the municipal commissioner and shall be distributed by him rateably among the creditors of the municipality. The assessment of the property within the corporation shall be made according to its actual value, and creditors are given the privilege of appealing against any assessment, in order that there may be no under valuation of property. The council and school board will not be allowed, under the act, to contract any indebtedness beyond what the rate provided will be sufficient to meet, together with any cash incidental revenue which the town may receive. An important provision of the bill is the clause which debars the creditors from proceeding against the town for debts or interest beyond the amounts allowed by the act, whilst the act remains in force. It is to be understood, however, that the full claims of the creditors shall remain valid, the creditors being for the time merely debarred from proceeding against the town. In short, the bill provides for the re-establishment of municipal government for Portage la Prairie, whilst at the same time exempting the corporation from any action against it by its creditors. In other words, the bill deprives the creditors for the time being, of their right to proceed against the town to recover money loaned the corporation, together with the interest thereon, beyond a certain sum provided for in the act. The precedent is a dangerous one in principle, and is only excusable on the ground that under the act the creditors will get something, whilst otherwise they would get nothing at all. There has been no assessment in Portage la Prairie since 1885, and the creditors of the town have consequently been receiving neither principal nor interest. Besides, the public matters of the town have been in a deplorable condition, and the school closed, since the resignation of the council. The seven mills provided in the act will pay interest on but a small portion of the debt of the town, which latter amounts to over \$260,000, including arrears of interest.

Practically, the bill will have the effect of improving the value of the claims of the creditors. As matters now stand, the town cannot improve, and as no effort is being made to pay interest upon the debt, the liabilities of the town are steadily increasing. By a reorganization of the municipality, the town will be placed in a position to make some advancement, and this is really the principal hope of the creditors for the future. Portage la Prairie has good natural advantages, and under the proposed act it will, no doubt make steady progress. In this case the sum available for the payment of interest upon its debt, will be larger year by year, until perhaps ultimately the full liabilities of the town will be covered. The most satisfactory feature apparent in dealing with the financially embarrassed corporations of Manitoba is the fact that the repudiation of any portion of the debts of such corporations is not for a moment taken into consideration, either by the corporations or the Legislature. Furthermore, the trouble is all owing to the old "boom" obligations, and there is no danger of corporations now on a solid basis, becoming so involved as to require special acts of relief.

RUSSIAN WHEAT.

One Johnson, who has gained considerable notoriety as a distributor of alleged Russian wheats throughout Manitoba, writes to a country paper as follows:

"The attack which has been made on them (the wheats) by that belligerent body the Winnipeg board of trade, was done in the interests of a coterie of millers and dealers and not in that of the farmers."

No attack has been made upon these wheats, the Saxonca and Kubanka varieties, by the Winnipeg board of trade. Professor Saunders, of the Government experimental farm, forwarded samples of these wheats to the board of grain examiners at Winnipeg, (not the board of trade), asking an expression of opinion from the board as to the value of the wheats, as compared with red fife and Ladoga wheats. The Ladoga is the Russian wheat which is being introduced by Prof. Saunders. Following is the reply of the board:

"In the opinion of this board of grain examiners, the Manitoba millers and grain dealers would not buy Kubanka wheat at any price, though it might, however, be useful for feed purposes. In the opinion of the examiners the samples viewed are none other than 'goose' or 'rice' wheat, and of little value. The Saxonca variety belongs to the spring or soft class of wheat."

Samples were also submitted to the Toronto board of grain examiners, who declared the Kubanka wheat "similar to the variety known as goose, and of little value." Saxonca was said to be about equal in quality to No. 3 Ontario spring wheat. The opinions were solicited, and no doubt were given honestly by the respective boards. Coming from men who are thoroughly posted in the commercial value of the different wheats, they should carry a great deal of weight.