

News of Municipal Finance

**High Tax Rate for Calgary Next Year Unless a Definite Plan is Formed in
Regard to Arrears—Prince Rupert Debt Reduced—Shortage in Windsor Sinking
Fund Denied—Vancouver and Lethbridge Tax Collections Show Increases**

Lethbridge, Alta.—Taxes collected during the discount period, which ended on August 31, amounted to \$276,000, representing 54 per cent. of the total, compared with \$212,000, or 49.5 per cent. of the total, in the same period last year.

Vancouver, B.C.—Since the middle of July more than \$650,000 has been received in taxes. Heavy collections are anticipated towards the end of the discount period, which expires on September 15, and at that date receipts are expected to reach \$1,000,000 or more.

Montreal, Que.—Water and business taxes collected during the discount period which ended on September 1 last, amounted to \$2,303,399, as compared with \$1,792,893 received in the same period last year. During the following sixty days, interest at the rate of six per cent., will be collected on arrears, and after that 7 per cent.

The administrative commission on August 30, decided to purchase for its sinking fund, the following bonds of the city of Montreal, from H. B. Robinson and Co.: £5,000, 4½ per cent., due 1951-3, at 66.50; £2,140, 4 per cent., due 1932, at 73; £5,000, 4½ per cent., due 1963, at 67.50.

Windsor, Ont.—A special audit made recently by Dadson, Fitzgerald and Co., revealed a shortage of about \$12,975 in the city's sinking funds. This, however, has been contradicted by F. J. Holton, city auditor, who demands an investigation by the city council, and who is backed in his statements by City Treasurer Thompson.

Speaking of the matter, Mr. Holton explained that the sinking fund of a city is always considered as a sacred trust, and that any statement such as appears in the report of the special audit will injure the credit and reputation of the city. "It is libellous and should be corrected," he said. "Not only is all the money there which should be there, but there is a surplus of \$2,206, which has been earned by investing sinking fund money in debentures drawing a higher rate of interest than that allowed by the banks."

Prince Rupert, B.C.—A reduction in the debt of the city of \$32,269 last year, is shown in the annual statement just issued. The total bonded debt as at December 31 last, amounted to \$1,609,223. The sinking fund was intact, and fully paid in at that date.

There was a deficit for the year on general revenue account of \$19,382, but to offset this profits were earned by the various utilities amounting to \$26,861. The city thus had a net surplus for the year of \$7,478, which was not enough, however, to pay the exchange on a payment of \$80,352 due on the city's bonds, and payable in New York on April 1, 1920. Taxes levied for general purposes during the year amounted to \$175,697, as compared with \$154,594 in 1918. Local improvement levies amounted to \$59,186. Total collections, including arrears, were considerably over the sum of these two amounts and uncollected taxes at the end of the year were reduced from \$196,250 to \$172,742, which includes both general and local improvement taxes.

Montreal, Que.—The finance committee of the Charter Commission will request the Chamber of Commerce, the Board of Trade, the Manufacturers' Association, the City Improvement League and other similar organizations, to send in their suggestions on the best system of taxation adaptable to the conditions prevailing in the city. In making this announcement, A. Lambert, chairman of the finance committee, drew attention to the importance of financial machinery required for the administration of Montreal. Mr. Lambert added that he would ask the committee to adopt his suggestion at its next meeting. "If the commission has ever needed the opinion of citizens it is on this matter," said Mr. Lambert. The committee will also study the taxing systems in use in other cities.

Up to the appointment of the present administrative commission, Montreal adhered to the rigid system of having a fixed realty tax, which, however, completely broke down during the stress of the times following the outbreak of European hostilities. The city was confronted for two or three years with annual deficits, which were wiped out only with the power of increasing the realty tax. The new law authorizes the city commissions to assess property with a rate of taxation not exceeding 1½ per cent., or \$1.50 on each \$100 valuation of property. The city commissioners have succeeded, however, in administering the affairs of the city on a property tax of \$1.35. Now, in view of the drafting of a new city charter, the sub-committee will go into the question of taxation and submit their recommendations to the general charter commission.

Calgary, Alta.—At a recent meeting of the finance committee, the question of tax arrears and the tax sale was the principal topic. It was finally decided that a definite policy must be framed to provide revenue in lieu of taxes from property which will be sold this fall. Alderman Johnston and McCoubrey expressed the opinion that there was a possibility of a 70-mill tax rate in 1921, unless the city sold instead of trying to lease lands that came into its possession through the tax sale.

It is variously estimated that from 30,000 to 40,000 lots will come into the city's possession, which will mean probably striking another \$1,500,000 from the already greatly reduced taxable property of the city, which is now down to some \$75,000,000. The most serious phase of this situation, however, is the possibility of a decision from Judge Carpenter, of the Public Utilities Commission, compromising taxes on property classed as farm lands, and making the compromise retroactive over a term of years. Such a decision might mean wiping another \$5,000,000 off the assessment rolls.

Another question of importance which was considered was that of sinking funds. Ald. Johnston made that statement that the city fell behind in payments into the sinking fund to the amount of \$22,000, as compared with the previous year. The advisability of investing more money out of the fund in Calgary bonds, was also discussed, and it was finally decided to ask the council to authorize the committee to invest sums from the sinking fund, not to exceed \$50,000 at one time, in Calgary bonds of ten or fifteen-year.

Emphasis was also laid on the fact that no loans shall be made from the sinking fund on local mortgages, which is a repetition of a decision made long ago. At the present time, according to a statement made by Mayor Marshall recently, the city has \$500,000 cash in its sinking and \$600,000 invested in Victory bonds, besides mortgage loans and other investments. Prior to the war period, most of the sinking investments were in mortgages on local property. Alderman Johnston expressed the opinion that the city eventually would lose some \$100,000 on these mortgage investments, but Commissioner Samis expressed the opinion that by 1931, when sinking fund payments fall due, the property on which loans were made will be worth the principal and deferred interest.

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended September 3rd:—

Temiskaming Test. Lab., 60,000; O'Brien Mine, 64,050; Dominion Reduction, 80,000; Nipissing Mine, 693,135; total, 897,185. The total since January 1st is 17,194,428 pounds, or 8,597.2 tons.