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A STUDY OF ASSESSMENT AND TAXATION IN RELATION TO THE

ECONOMIC LAND CLASSIFICATION

IN TWELVE MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN

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**A STUDY OF ASSESSMENT AND TAXATION IN RELATION TO THE ECONOMIC
LAND CLASSIFICATION IN TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL
SASKATCHEWAN.**

In the summer of 1937 a land economic survey was conducted in twelve rural municipalities and one local improvement district (1) in south central Saskatchewan.. The purpose of this survey was, "to delimit and to give an economic appraisal of bodies of land homogenous in physical characteristics and potential capabilities" (2) It was an economic land classification of which the quarter section of land was the unit of appraisal. It is the purpose of this study to relate some of the problems of taxation to the various land classes delimited in this survey. An attempt will be made to present a practical application in the use of Land Classification in the solution of problems confronting taxation authorities.

At least 80 per cent of the total farm income in these municipalities was derived from wheat. (3) Suitability and capacity for wheat production, therefore, was the basis of this

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- (1) Rural Municipalities of: Willow Bunch, No 42, Lake of the Rivers, No 72, Stonehenge, No 73; Elmsthorpe, No 100; Terrell, No 101; Lake Johnston, No 102; Sutton, No 103; Baildon, No 131; Hilsborough, No 132, Rodgers, No 133; Caron, No 162; Wheatlands, No 163;
 - (2) "Preliminary report on the Classification of Land Areas Based on Suitability for Wheat Production in Thirteen Rural Municipalities, South Central Saskatchewan." - Unpublished Report, July 1938. A cooperative project of the Economics Division and the Dept. of Farm Management of the University of Saskatchewan, p. 1.

Note: Hereafter references to this report shall be referred to a "Preliminary Report, July 1938".

- (3) Ibid, page 2

economic land classification. Since wheat growing was the major enterprise in this area for the past quarter century it may be reasonably assumed that wheat will continue to occupy the same importance in the farm economy of this area for the next decade or two.

The area under discussion is located west, southwest and southeast of the city of Moose Jaw and extending south to within eighteen miles of the international border. It lies adjacent and west of a block of seven municipalities covered in a similar land economic survey the previous summer. It contains approximately 2,420,000 acres of land.

Five different land classes were established on the basis of varying potential productivity. Every quarter section within the area was placed in one of the five classes according to its estimated productivity based on the history of wheat yields of the predominating soil type of the quarter for the past sixteen years and its arable acreage. Any quarter which was not considered capable of producing for sale annually (production less 1.5 bushels for seed) 350 bushels of wheat was classified as 'submarginal for wheat' or Land Class I. The limits of bushels of wheat for sale for the other classes are shown in Table I.

Table I The Limits of Bushels of Wheat for Sale Per Quarter Section in the Five Land Classes.

Land Classes	Approximate range in bushels of wheat for sale per quarter section.	Description
I	Under 350	Better adapted to grazing than wheat production.
II	351 to 475	Marginal for wheat
III	476 to 720	Fair wheat land
IV	721 to 900	Good wheat land
V	900 and over	Excellent wheat land.

SOURCE OF DATA

The data regarding assessments and taxation were taken from information obtained on the land classification study. Additional material was obtained from the Annual Municipal Reports and special tabulations provided for this study by the Department of Municipal Affairs.

TAXES, A FARM EXPENSE

Taxes have always been an important item in the farm budget. They are an annual charge against the farm revenue varying very little from year to year when compared with farm revenues. A certain tax levy may decide the marginal position of land with respect to certain uses as wheat growing, for example. If a farmer of average efficiency, after paying all his cash operating expenses, living costs, and allowing for a fair depreciation on his capital exclusive of land, has just

enough cash left to pay his taxes he is said to be operating a farm on a 'marginal land' which cannot bring enough revenue over a period of years to pay any interest on the capital investment.

Table II shows the relative position that taxes occupy with respect to farm cash expenses in the different farm units of southern Saskatchewan where wheat supplies more than 80 per cent of the farm gross revenue.

Table II Taxes as a Percentage of Farm Cash Expenses in Areas where Wheat Supplies 80 per cent and over of the Gross Farm Revenue.(1)

District	<u>Half Section Farm</u>		Per cent taxes are of farm cash expenses
	Farm cash expenses	Taxes	
Davidson and Craig	\$461	\$75	16.3
Gravelbourg	419	86	20.5
Rosemount - Reford	489	94	19.2
Kindersley - Eston	519	92	17.7
Regina and Rosetown	666	114	17.1
<u>SECTION FARM</u>			
Davidson and Craig	\$1212	\$150	12.4
Gravelbourg	1180	172	14.6
Rosemount - Reford	1280	188	14.7
Kindersley - Eston	1344	184	13.7
Regina and Rosetown	1687	228	13.5
(Budget for Marginal areas)	<u>THREE QUARTER SECTION FARM</u> (2)		
	\$ 604	\$159	26.3

(1) Figures taken from "Studies of Probable Net Farm Revenues for the Principal Soil Types of Saskatchewan." W. Allen, E. C. Hope, F. C. Hitchcock, Univ. of Sask. Agric. Extension Bulletin No 64.

(2) Figures taken from "A Budget" for three quarter section farms on marginal areas in southern Saskatchewan constructed by the Farm Management Department, Univ of Sask and Agricultural Economics Div. Dept. of Agric. cooperating.

One-half and one section farms are considered. On one-half section farms taxes make up from 16.3 to 20.5 per cent of the farm cost expenses in the Davidson-Craik and Gravelbourg districts respectively. Less variation is shown on one section farms where the proportion of taxes in relation to farm expenses is also lower than that on the half-section farms. Here the range is from 12.4 per cent in the Davidson - Craik to 14.7 per cent in the Rosemount-Reford areas. On the three -quarter section farms in marginal areas of the south taxes occupy a very prominent part in the farm budget. Here they are 26.3 per cent of the farm expenses. In other words, more than one-quarter of cash costs in marginal lands are spent on local government. This fact reveals ^{to some extent} the inability of inferior areas in our Province to support an adequate standard of public services such as schools, roads, telephones and the like. The above table also indicates that local taxation falls relatively more heavily on the smaller farm units than on the larger units.

MUNICIPALITIES AND LAND CLASSES

The basis of land classification in southern Saskatchewan has already been explained and it would be interesting to note what proportion of the land falls into different Land Classes in each municipality. The amount of revenue that a rural municipality may expect to raise from year to year depends entirely on the quality of assessable land within its borders. The higher the proportion of good land found in a municipality the better will be its tax collections. It has been demonstrated that even during the periods of drouths better land has usually produced something for sale, whereas inferior class of land

under identically the same conditions failed to produce even feed.

The proportion of different land classes within the twelve municipalities is given in Table III.

Table III. PERCENTAGE OF THE TOTAL AREA IN EACH LAND CLASS BY RURAL MUNICIPALITIES -- TWELVE MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN. Economic Survey 1937(1)

Rural Municipalities	R.M. No	Total Acreage	Land Classes				
			I	II	III	IV	V
			(per cent)				
Caron	162	141,142	33	8	13	8	38
Wheatlands	163	204,786	55	24	18	3	3.
Baildon	131	205,613	29	12	24	19	16
Hillsborough	132	113,207	73	18	5	4	..
Rodgers	133	177,015	51	10	23	16	..
Elmsthorpe	100	206,363	32	20	39	9	..
Terrell	101	211,457	45	18	32	5	..
Lake Johnstone	102	137,459	24	8	36	31	1
Sutton	103	205,488	10	9	22	56	3
Lake of the Rivers	72	165,695	15	5	18	39	23
Stonehenge	73	245,354	6	1	36	55	2
Willow Bunch	42	249,316	25	9	40	26	..

Of the best type of land viz - Land Class V, Caron has 38 per cent as compared with only one per cent in Lake Johnstone. None of this 'excellent wheat land' is found in Wheatlands, Hillsborough, Rodgers, Elmsthorpe or Willow Bunch. When the two upper land classes, i. e., - Land Class IV and V are combined

(1) "Preliminary Report, July 1938," p. 16

Sutton comes first with 59 per cent of its area classified as better than the average for wheat production. (Land Class III considered as average land.) Stonehenge follows a close second with 57 per cent, Lake of the Rivers next with 52 per cent and Hillsborough comes last with only four per cent of its area having a rating better than the average for wheat production.

In Table IV the twelve municipalities are divided into two groups A and B, on the basis of their long time average productivity in bushels of wheat for sale per quarter section of land.

Table IV TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN
ARRANGED ACCORDING TO AVERAGE PRODUCTIVITY PER QUARTER
SECTION AND WITH CORRESPONDING PERCENTAGES OF THEIR
AREAS IN LAND CLASS I AND II.

Rural Municipality	R.M No	Average productivity per quarter section. (bushels)	Percentage of total area in Land Classes I and II
<u>Group A[©]</u>			
Stonehenge	73	719	7
Lake of the Rivers	72	702	20
Sutton	103	689	19
Caron	162	601	41
Lake Johnstone	102	573	32
Baildon	131	567	41
Willow Bunch	42	555	34
<u>Group B^{©©}</u>			
Elmsthorpe	100	475	52
Rodgers	133	408	61
Terrell	101	407	63
Wheatlands	163	345	79
Hillsborough	132	266	91

© Group A - R. M's with less than 50 per cent of their area in Land Classes I and II

©© Group B - R. M's with more than 50 per cent of their area in Land Classes I and II

Group A includes all those municipalities which have less than 50 per cent of their area in Land Class I and II, and Group B more than 50 per cent in Land Class I and II

In Group A Stenehenge occupied the top position with only seven per cent of its total aland area included in Land Class I and II, and having an average productivity of 719 bushels per quarter. Willow Bunch comes last in this group with 34 per cent of its area in Land Class I and II having an average productivity of 555 bushels per quarter. It will be noticed that both Baildon and Caron have a higher percentage of their land in Land Class I and II than Willow Bunch and yet have a higher average productivity per quarter. This is explained by the fact that they both contain a fair percentage of the heavy soil types which tend to augment the average productivity per quarter for the whole municipality. Elmsthorpe in the Group B has just a little more than one-half or 52 per cent of its area classed as Land Class I and II. Its average productivity per quarter is 475 bushels which is just at the upper limit of Land Class II. Hillsborough occupies the last position with 91 per cent of its land being classified as I and II for wheat production. Its average productivity is 266 bushels of wheat. Wheatlands the second last has 79 per cent of its area in Land Class I and II with an average productivity of 345 bushels, just about on the boundary line between Land Class⁶⁸/I and II.

TAX INDEBTEDNESS

Numerous studies of rural tax delinquency have been made in the older settled parts of eastern Canada and the United States. It is not the intention of this paper to go into the causes of tax delinquency. It is intended merely to point out some of the relationships that exist between tax delinquency and Land Classes of the twelve municipalities in Southern Saskatchewan.

Table V presents the picture of tax collections as a percentage of total tax levies over a period of sixteen years by the above two groups of municipalities.

Table V HISTORY OF TAX COLLECTIONS FOR TWELVE RURAL MUNICIPALITIES IN SOUTH CENTRAL SASKATCHEWAN FROM 1921 to 1936.

Year	Group A		Group B	
	Total current tax levy	Collections as percentage of levy	Total current tax levy	Collections as percentage of levy
	(Dollars)	(Percent)	(Dollars)	(Percent)
1921	506,125	84.4	261,679	51.1
1922	478,646	115.7	211,466	111.7
1923	477,751	102.0	220,128	94.5
1924	467,487	110.9	213,886	107.1
1925	484,909	103.9	215,540	104.8
1926	534,815	107.4	229,136	96.8
1927	548,078	97.3	243,183	98.3
1928	601,212	100.5	261,514	103.5
1929	587,253	75.7	272,804	70.5
1930	598,116	61.8	270,191	59.8
1931	487,214	36.7	221,414	29.1
1932	443,989	43.8	191,800	37.4
1933	331,184	45.9	157,581	45.8
1934	311,209	60.9	154,268	35.4
1935	319,369	82.4	134,858	64.1
1936	292,307	65.2	146,791	50.4
1921-28	4,099,023	102.5	1,856,532	95.0
1929-36	3,370,641	58.8	1,549,707	50.2
1921-36	7,469,664	82.8	3,406,239	74.6

Throughout the period of so - called 'good years' i. e, - 1921 to 1928, only in 1925, 1927 and 1928 were the average collections slightly higher in the municipalities of the Group B. The Group A collected 102.5 per cent of thier total current levy for this period as against 95.0 per cent by the Group B. It would appear, that on the average, from 1921 to 1928, the Group A managed to collect all their levies plus a portion of the arrears which existed before this period. At the same time the Group B failed to collect any portion of the arrears before this period and came short of five per cent in collecting their total current levy from 1921 to 1928. During the period of dry years, from 1929 to 1936, the Group A collected 58.8 per cent against 50.2 per cent by the Group B. When collections for the whole period of sixteen years are compared the Group A collected 82.8 per cent of their total current levy for this period, whereas the Group B collected only 74.6 per cent. It is rather a significant fact to note that during the sixteen-year period, from 1921 to 1936, the total levy of the seven municipalities in the Group A was more than twice the total levy of the five municipalities in the Group B.

page 11,

Table VI/shows the average tax arrears per farm in the years 1928 and 1936 for the two groups of municipalities. There was not much different^{fe} shown in the average tax indebtedness per farm in either of the groups in 1928. The outstanding taxes per farm amounted to \$55 in the Group B as against \$52 in the Group A.

TABLE VI - TOTAL UNCOLLECTED TAX ARREARS AS AT DECEMBER 31ST 1928 AND 1936 TWELVE MUNICIPALITIES, SOUTH CENTRAL SASKATCHEWAN.

Rural Municipality	R.M. No.	Tax Arrears		Number of farms		Arrears: Average per farm	
		1928	1936	1928	1936	1928	1936
Group A							
Willow Bunch	42	\$35,699	\$367,229	700	482	\$51	\$762
Lake of the Rivers	72	20,320	194,937	475	384	43	508
Stonehenge	73	26,868	310,808	718	554	37	561
Lake Johnstone	102	26,037	133,175	310	279	84	477
Sutton	103	29,348	113,583	492	445	60	255
Baildon	131	25,777	183,576	355	366	73	502
Caron	162	7,637	75,386	250	285	31	264
Total - Seven Rural Municipalities		\$171,686	\$1378,634	3300	2795	\$52	\$493
Group B							
Elmsthorpe	100	\$ 36,087	\$ 341,992	750	397	\$48	\$861
Terrell	101	23,803	208,101	600	354	40	588
Hillsborough	132	17,436	80,175	135	111	129	722
Rodgers	133	21,634	96,960	280	257	77	377
Wheatlands	163	18,851	213,363	375	323	50	660
Total - Five Rural Municipalities		\$117,811	\$940,591	2140	1442	\$ 55	\$652
Total - Twelve Rural Municipalities		\$289,497	\$2319,225	5440	4237	\$ 53	\$547

Hillsborough of the Group B had the highest average tax indebtedness among the twelve municipalities amounting to \$129 per farm. Caron, of the Group A had the lowest indebtedness which amounted to only \$31 per farm.

In 1936 the average tax indebtedness per farm in the Group B was \$652 as against \$493 in the Group A, a difference of over \$150. Elmsthorpe of the Group B had the highest average indebtedness amounting to \$861 per farm as compared with \$762 in Willow Bunch, highest in the Group A. Caron of the Group A had the lowest tax indebtedness per farm, viz: \$264 as against \$377 in

Rodgers being lowest in the Group B.

When the numbers of farmers in 1928 and 1936 in the two groups of municipalities are examined it is evident that the degree of abandonment in the Group B was much higher than in the Group A, being nearly 35 per cent as against a little over 15 per cent in the Group A. Abandonment and tax delinquency are very closely associated. When a farmer is confronted with a total crop failure his taxes, like many other current bills, will remain unpaid, unless he has some cash reserve on hand or another source of income other than the current crop. But when a partial or a total crop failure becomes an annual feature, abandonment is one of the few possible alternatives resulting in a huge amount of tax arrears being charged against the land.

In Table VI it will be observed that by the end of 1936 over 2 1/4 million of tax arrears were recorded on the books of the twelve municipalities. It is interesting to note what differences existed between the five Land Classes in the matter of tax arrears. It is true that the better Land Classes in all municipalities carried a higher average assessment per acre than the poorer ones, this will be shown in a later table, therefore it is quite possible that the absolute tax indebtedness of the higher Land Classes might be greater than that of the lower Land Classes. What is of most interest is the number of years of tax arrears in relation to the various Land Classes.

Table VII illustrates this point.

Table VII. NUMBERS OF YEARS OF TAX DELINQUENCY AS AT DECEMBER 31st, 1936 by LAND CLASSES- ELEVEN RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN.

Rural Municipality	R.M. No	Land Class				
		I	II	III	IV	V
Caron	163	4.4	3.9	3.1	2.0	2.0
Rodgers	133	5.4	6.5	5.2	3.7	..
Hillsborough	132	5.4	5.2	4.5	5.4	..
Baildon	131	7.2	5.5	5.0	4.5	1.0
Sutton	103	5.4	3.8	3.2	2.6	1.0
Lake Johnstone	102	7.2	7.3	4.6	3.5	..
Terrell	101	5.6	5.4	5.4	4.1	..
Ellmsthorpe	100	6.0	6.5	5.5	4.9	..
Stonehenge	73	8.3	6.1	5.6	3.9	2.8
Lake of the Rivers	72	6.0	5.6	4.6	4.0	3.3
Willow Bunch	42	6.5	6.7	5.3	4.8	..
Total 11 R. M's		6.0	5.8	5.1	3.8	2.1

NOTE: Wheatlands, No 163, was omitted from this Table since its assessment was scaled down considerably in 1936 and hence the assessment figures of 1936 would not present a true picture of what took place before that year.

The above Table gives the average number of years of tax indebtedness for each of the five Land Classes in the whole area as well as in each separate municipality.

Using the figures given in Appendix A an average annual mill rate was computed for each Municipality for the period 1929-1936. Then taking the assessed value of each Land Class

an average annual levy of by Land Classes was computed for this period during which most of the tax arrears were accumulated. It will be observed from the figures in Appendix A that the total uncollected taxes in 1928 with but one or two exceptions, did not exceed the 1936 current levies which were the lowest during this eight-year period of crop failures. Since the 1936 levies were far below the average levy in each municipality for the 1929-1936 period it was concluded that most of the tax arrears on all Land Classes were accumulated since 1928. Dividing the total indebtedness of each Land Class by its average annual current levy from 1929-1936 the resulting figure is the number of years of unpaid taxes for the specific Land Class.

In the eleven municipalities no appreciable difference in tax delinquency is noted between Land Classes I and II, both being approximately six years in arrears. Land Class III was just a fraction over five years in arrears. Land Class IV shows a fair tax collection record, having only 3.8 years of outstanding taxes. Five land has the best tax paying record with only a little over two years of arrears. The ability of Land Class V, which is comprised of Regina and Sceptre ^{clays} clays, to produce crops in this area even under extremely dry conditions is well illustrated in the above table. Of all the municipalities Caron has the best tax paying history. It has two years of unpaid taxes on a Land Class V and only 4.5 years on Land Class I. It appears that some of the revenue from the higher grades of land in Caron went to pay taxes on the lower land classes.

I
Land Class/in Stonehenge failed to pay any portion of its levy from 1929 to 1936 being over eight years in arrears and almost two and one-half years more than the average for the whole area. Land Class II in Lake Johnstone ahad 7.3 years of outstanding taxes which was one and one half years more than the average for this Land Class in the whole area. Next to Caron Sutton had a very good record of tax collections. Its Land Class I was 5.4 years in arrears which was less than the average for the group. Land Class II in Sutton was the least behind in taxes having only 3.8 years of arrears or exactly two years less than the average for this class. In the same Municipality Land Class III was 3.2 years in ar rears, just a small fraction of a year under Caron the Best in this group. Land Class IV was 2.6 years in arrears as against two years in Caron and Sutton's small portion of Land Class V had only one year of tax arrears, a record which was only equalled by the same land class in Baildon.

Another comparison of tax delinquency between the land classes is the ratio that tax arrears bear to the assessed value. Table VIII presents the percentage tax delinquency is of the assessed value by land classes for all parcels other than those with nominal assessment for pasture lease taxation purposes, such land being assessed at \$2.00 an acre.

Table VIII PER CENT TAX INDEBTEDNESS AS AT DECEMBER 31, 1936,
AS OF ASSESSED VALUE BY LAND CLASSES, TWELVE
RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN (1)

Land Class	No of parcels	Tax Indebtedness as a percentage of assessed value.
I	3555	10.7
II	1859	10.1
III	4042	8.6
IV	3461	6.3
V	876	2.9
All classes	13793	7.6

The ratios follow the same order as those in Table VII which
expresses tax indebtedness in number of years. Indebtedness on
Land Class I amounted to 10.7 per cent of the assessed value and
wheat
on the excellent/land 2.9 per cent.

(1) Preliminary Report, July 1938, p 47.

RELIEF INDEBTEDNESS

During the widespread drouth in southern Saskatchewan which began in 1929 the Provincial and Dominion Government have borne a large share of relief costs of the rural municipalities found in the drought area. Seed grain fodder as well as direct relief were supplied to the needy families. Table IX indicates the amount of outstanding government and municipal relief per farm as well as per capita at the end of 1936.

TABLE IX - TOTAL OUTSTANDING RELIEF, DECEMBER 31ST 1936, TWELVE RURAL MUNICIPALITIES, SOUTH CENTRAL SASKATCHEWAN.

Rural Municipality	R.M. No.	Total relief (1)	No. of farms	Population	Average per farm	Average per capita
<u>Group A</u>						
Willow Bunch	42	\$652,452	482	2446	\$1354	\$268
Lake of the Rivers	72	256,493	384	1429	668	179
Stonehenge	73	751,909	554	2557	1357	294
Lake Johnstone	102	203,612	279	1197	730	170
Sutton	103	404,213	445	1871	908	216
Balldon	131	281,611	366	1421	769	198
Caron	162	122,717	285	1053	431	117
Total - Seven Rural Municipalities		\$2673,007	2795	11,974	\$ 956	\$223
<u>Group B</u>						
Elmsthorpe	100	\$ 514,588	397	2023	\$1296	\$254
Terrell	101	340,761	354	1610	963	212
Hillsborough	132	94,265	111	473	849	199
Rodgers	133	217,161	257	998	845	218
Wheatlands	163	278,169	323	991	861	281
Total: Five R. M.'s		\$1444,944	1442	6095	\$1002	\$237
Total: Twelve R. M.'s		\$4117,951	4237	18,069	972	228

(1) Annual Reports: Saskatchewan Department of Municipal Affairs.

The average relief debt in Group A was \$956 per farm and \$223 per capita, whereas in Group B it was \$1002 per farm and \$237 per capita. Thus when the groups as a whole were considered the average relief indebtedness was about \$50 per farm and \$15

per capita more in the Group B than in the Group A, but with individual municipalities this is not the case. Of the twelve municipalities Stonehenge of the Group A had the highest indebtedness per farm amounting to \$1357, and the highest per capita amounting to \$294. Caron in the Group A had the best record with relief indebtedness of only \$431 per farm and \$117 per capita. It is interesting to note that Stonehenge with its highest average productivity per quarter was the highest in per capita relief indebtedness and third highest in relief indebtedness per farm. On the other hand Hillsborough with the lowest average productivity per quarter showed the lowest average indebtedness per farm as well as per capita in Group B. This may be attributed to an abundance of grazing land which resulted in more cattle being kept in the municipality thus providing the farmers with at least some revenue when their wheat crops failed.

VARIATIONS IN ASSESSMENTS

There may be two kinds of variations in assessments viz. - equitable and inequitable. There are those variations which are justified on the basis of physical and economic factors i.e., better grades of land should carry a higher assessment than the poorer grades. Similarly land located close to a market should be assessed higher than land of similar quality farther away from the market and so forth. Such variations may be classed as equitable. There are many variations, however, which cannot be explained on the basis of either physical or economic factors. Such variations in

assessments would be classed as inequitable variations. Numerous appeals against too high an assessment indicate that such inequalities do exist. The above statements will be substantiated by Tables presented later based on data from the twelve municipalities. At this time it may be in order to present a brief outline of the history of assessment in Saskatchewan.

HISTORY OF ASSESSMENT IN SASKATCHEWAN (1)

"In 1905 the local government units consisted of two farms, town and rural municipalities. We find the following provision in Section 127 of Municipal Ordinance as to method of assessing land:

In Assessing vacant ground or ground used as a farm, garden or nursery....the value of each parcel of vacant ground shall be that at which sales of it can be reasonably expected during the current year; the assessor shall value it as if held for farming or gardening purposes with such percentage added as the situation of the land may reasonably call for and such vacant land whether surveyed into lots or not if unsold as may be entered on the assessment roll as so much of the original lot or section as the case may be....."

"(2) Except in the case of mineral lands hereafter provided for land shall be estimated at its relative value as compared with the balance of the land in the municipality; Provided that no lands shall in a rural municipality be assessed at a less valuation than \$2.00 per acre.".....

-
- (1) The writer is indebted to Mr. T. H. Freeman, of the Saskatchewan Assessment Commission who supplied the material for this section.



The Rural Municipality Act of 1908-09 replaced the ordinance of 1905 and provided for appeals against unfair assessments. Tax levies were not made on assessment, however, but at a uniform rate of not more than six and one quarter cents per acre on farm land.

In 1912-13 for the first time in Saskatchewan a provision was made for the assessing of farm land at a certain value.

"252a. Land shall be assessed at its actual cash value exclusive of any increase in such value caused by the erection of any building thereon or by any other expenditures of labour or capital."

Provision was also made for the levying of taxes on the assessed value of farm land.

In 1916 the Patriotic Tax was introduced which was to be levied at the rate of one mill on the assessed value of all property in the municipality. After the World War this tax was changed to what we know now as the Public Revenue Tax.

The Rural Municipality Act was again consolidated in 1917 and the method for assessing the rural land was outlined in the following provision:

"225 (1) Land shall be assessed at its fair actual value, exclusive of any increase in such value caused by the erection of buildings thereon or by any other expenditures of labour or capital. In case the value at which any specified land has been assessed appears to be more or less than its true value, the amount of the assessment shall nevertheless not be varied on appeal, if the value at which it is assessed bears a fair and just proportion to the value of the land."

to the value at which lands in the immediate vicinity of the land in questions are assessed."

The same Act for the first time required a report of the assessment from the rural municipality to be forwarded to the Provincial Government. The return had to be made to the Wild Lands Tax Commissioner. This official had the power to demand the gross assessment of the rural municipality to be lowered or raised for the next year. This was a step for the first time toward equalizing assessments between rural municipalities for the purpose of making the Patriotic Tax levy more equitable among the municipalities. By 1920 the matter of equalization of assessments among rural municipalities had received a great deal of attention. The Municipal Statutes were again revised that year. Stricter provision was incorporated in the Act for reports of assessments to the Wild Land Tax Commissioner. The word "equalization" was introduced in the following section:

"247 (1) The Secretary Treasurer shall, upon the final completion of the assessment roll, forward to the Wild Lands Tax Commissioner a statement showing the total assessed value of the land in the municipality, and the Commissioner shall, upon such information and after such enquiries as he may deem advisable, confirm the said total assessed value as the equalized assessment of the municipality, or shall fix some other amount as the said equalized assessment, and the amount so confirmed or fixed shall, subject to the provisions of subsection (3), be the local assessed value of said municipality for the following year and for each year thereafter until the next equalized assessment has been made."

In 1921-22 a Permanent Assessment Commission was established to which all matters pertaining to assessment were to be referred in the future. All appeals from local courts of revision were to be made to this body. The setting up of an Assessment

Commission was the result of many investigations made prior to the above date. During 1920 officers of the Department of Municipal Affairs made a survey of all the rural municipalities with a view of establishing equitable assessment for each municipality. Maximum values for the best land as well as the average per acre value of all assessable land in each rural municipality were estimated. From this data aggregate assessments were determined. Their estimates were based on actual sale value of land which prevailed at that time and in the vicinity in which they were engaged.

Since then few minor changes in the assessment laws have taken place. The section providing for a set aggregate assessment by the Assessment Commission was removed in 1927 but the maximum values established in 1920, except with few minor changes, have remained the same to date.

At present the Saskatchewan Assessment Commission has introduced a fundamental change in its policy for rural taxation. It plans to reassess equitably all farming land in Saskatchewan. The bases of the new assessment shall be the land's ability to produce income. All assessors will be required to attend an assessor's course at the University of Saskatchewan and pass an examination. The whole scheme may be summed up in the following quotation:

"To date, we have a great deal of information in the form of soil maps and soil reports, based on scientific soil research, and economic surveys of agricultural industries. It is necessary that we capitalise this valuable information by setting up an entirely new system of assessment, a system using analysis, comparison and capitalization, all based on the lands ability to produce an income in terms of average efficiency, average production and normal prices."

(1)

In the light of the brief discussion above a few Tables will be presented to show the variations in assessment found in the twelve municipalities.

Table X ASSESSED VALUE PER ACRE OF DIFFERENT CLASSES OF LAND WITH SOME PORTION OF EACH QUARTER SECTION BROKEN. TWELVE MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN. (2)

Rural municipality	R. M. No	LAND CLASS					
		I	II	III	IV	V	TOTAL
Wheatlands	163	\$5.08	\$8.24	\$15.20	\$19.88	\$....	\$9.43
Caron	162	10.85	14.81	19.03	25.22	33.47	24.70
Rodgers	133	7.89	10.69	14.76	16.04	...	13.64
Hillsborough	132	7.68	10.00	14.65	15.17	..	9.90
Baildon	131	10.42	18.518	21.87	26.57	33.25	22.70
Sutton	103	12.26	15.99	17.92	22.12	23.73	20.04
Lake Johnstone	102	11.87	14.46	17.91	22.39	24.16	18.27
Terrell	101	10.56	13.86	18.09	21.67	..	15.72
Elmsthorpe	100	11.71	13.61	19.30	23.13	..	16.93
Stonehenge	73	11.37	12.20	18.74	21.97	24.42	20.30
Lake of the Rivers	72	10.55	15.15	17.96	22.70	22.71	21.25
Willow Bunch	42	11.74	15.40	18.19	21.02	..	17.89

The above Table shows the lack of uniformity in assessment of any one land class in the several municipalities. The average

(1) "Textbook for Assessors." - Saskatchewan Assessment Commission, January 1939, page 106.

(2) "Preliminary Report, July 1938" p 45

assessment on submarginal land varies from \$5.08 to \$12.06 per acre. On marginal land from \$8.24 to \$18.51. The gap is not so pronounced on Land Class III where the lowest valuation is \$15.20 and the highest \$21.87. Land Class IV ranges from \$15.17 to \$26.57 and Land Class V has a range from \$22.71 to \$33.47 per acre.

Wide and uneven variations also exist in the percentage increase in assessment between land classes in each rural municipality as shown in Table XI. There is a 78 per cent increase between Land Classes I and II in Baildon while in Elmsthorpe it is only twelve per cent. Again in Caron there is a 32.7 per cent increase from Land Class IV to V whereas in Lake of the Rivers both of these land classes carry the same average assessment.

Table XI PERCENTAGE INCREASE IN ASSESSMENT BETWEEN LAND CLASSES OF LAND OF WHICH SOME PORTION OF EACH QUARTER SECTION IS BROKEN TWELVE MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN ECONOMIC SURVEY OF 1937. (1)

Rural municipality	R. M. No	Land Class				
		I to II	II to III	III to IV	IV to V	
			Per cent			
Wheatlands	163	62.2	84.5	30.8	..	
Caron	162	36.5	28.5	32.5	32.7	
Rodgers	133	35.5	38.1	22.2	..	
Hillsborough	132	30.2	46.5	3.5	..	
Baildon	131	77.6	18.2	21.5	25.1	
Sutton	103	30.4	12.1	23.4	7.3	
Lake Johnstone	102	21.8	23.8	25.0	7.0	
Terrell	101	31.2	30.5	19.8	..	
Elmsthorpe	100	12.4	46.6	19.8	..	
Stonehenge	73	16.1	53.6	17.2	12.5	
Lake of the Rivers	72	43.6	18.5	26.4	0.0	
Willow Bunch	42	31.2	18.1	15.6	..	

Table XII ASSESSED VALUE PER ACRE OF DIFFERENT LAND CLASSES
BY YEARS OF ASSESSMENT TWELVE RURAL MUNICIPALITIES
SOUTH CENTRAL SASKATCHEWAN.

Rural municipality	R. M No	Land Classes					Total
		I	II	III	IV	V	
		Year assessed: 1923-1924					
Caron	162	\$10.85	\$14.81	\$19.03	\$25.22	\$33.47	\$24.70
Hillsborough	132	7.68	10.00	14.65	15.17	..	9.90
Baildon	131	10.42	18.51	21.87	26.57	33.25	22.70
Sutton	103	12.26	15.99	17.92	22.22	23.73	20.04
Stonehenge	73	11.37	12.20	18.74	21.97	24.42	20.30
Total; 5 R.'M's		\$10.52	\$14.30	\$18.44	\$22.21	\$28.72	\$19.53
Year assessed: 1927, 1928 and 1929							
Lake Johnstone	102	\$11.87	\$14.46	\$17.91	\$22.39	\$24.16	\$18.27
Terrell	101	10.56	13.86	18.09	21.67	..	15.72
Elmsthorpe	100	11.71	13.61	19.30	23.13	..	16.93
Lake of the Rivers	72	10.55	15.15	17.96	22.70	22.71	21.25
Willow Bunch	42	11.74	15.40	18.19	21.02	..	17.88
Total: 5 R.M's		\$11.29	\$14.50	\$18.29	\$22.18	\$23.44	\$18.01
Year Assessed: 1930 and 1936							
Wheatlands	163	\$5.08	\$8.24	\$15.20	\$19.88	..	\$ 9.43
Rodgers	133	7.89	10.69	14.76	18.04	..	13.64
Total: 2 R.M's		\$6.48	\$9.46	\$14.98	\$18.96	..	\$11.53
Per cent decrease from 1927 to 1929 to 1930-36							
		42.6	34.8	18.1	14.5	..	36.0

In Table XII the municipalities are grouped into periods according to year of the last known assessment. The year groups are arranged in the following order, 1923-24; 1927-29; and 1930-36. Five municipalities still carry their original assessment of 1923-24, five were revised in 1927-29 and two since 1930.

In the municipalities assessed between 1923 and 1929 no significant difference is noted between average assessments of the same land classes but a sudden decrease in assessment values is observed in the evaluation of all land classes after 1930. The drop from 1927-29 to 1930-36 assessments is proportionally highest on Land Class I, being 42.6 per cent, and least on Land Class IV, where it is 14.52 per cent. The average assessment on all land classes was reduced by 36.0 per cent.

Table XIII ASSESSED VALUE PER ACRE OF DIFFERENT LAND CLASSES ASSESSED BY THE SAME ASSESSOR BUT AT TWO DIFFERENT PERIODS.

Period	Land Class				
	I	II	III	IV	TOTAL
1927-29	\$11.87	\$14.46	\$17.91	\$22.39	\$16.66
1930-36	7.89	10.69	14.76	18.04	12.84
Percentage decrease from 1927-1929 to 1930-36	33.6	26.1	17.6	19.5	22.9

The above table shows assessments of two adjoining municipalities assessed by the same assessor in two consecutive years, viz- 1929 and 1930. The decrease on Land Class I is about one-third and on Land Class V about one-fifth from 1929 to 1930 assessments. There is about twenty-five per cent decrease in the average value per acre of all land classes within one year. It will be recalled

that 1929 and 1930 were the first two years of drought in the southern part of the Province. In addition prices for wheat fell from about \$1.50 per bushel in July 1929 to about 60 cents in December 1930. From the above Table it appears that it took two years of unfavorable agricultural conditions to have a marked influence on land values. The comparisons in the above Tables show the weakness in a method of assessment based on sales value - a value of unstable character. It is readily seen how assessments based on sales value of land in a certain year may soon become out of line with normal value, (if normal value is to be based on average production and average prices over a period of years). Land values are subject to wide fluctuations from time to time and any assessments made during periods of prosperity or depressions are bound to be either too high or too low, when compared with the long time normal value. For local taxation purposes the mill rate can be adjusted but inequalities will arise out of Public Revenue Tax levies, where municipalities assess their land according to sales value.

Several Tables are presented in which absolute variations will be shown. However, since distance from market was one of the factors considered in the past assessments, its significance should not be disregarded.

TABLE XIV AVERAGE ASSESSED VALUES OF LAND PER QUARTER
SECTION FOR SEVEN RURAL MUNICIPALITIES ARRANGED
ACCORDING TO DISTANCE FROM TOWN BY LAND CLASSES
ECONOMIC SURVEY OF 1936 (1)

Miles from town	Land Class					Total
	I	II	III	IV	V	
0 to 3	\$1682	\$2183	\$2844	\$3319	\$4326	\$2644
4 to 8	1638	2108	2727	3381	4261	2559
9 and over	1490	1800	2472	2943	4300	1984
All distances	\$1591	\$2007	\$2711	\$3316	\$4291	\$2377

The above table shows the relationship between distance from market and assessments per quarter section by land classes in the seven municipalities surveyed in 1936. On Land Class I the difference is around \$200 between parcels near town and those over nine miles away. The difference is \$383 for the same distance on Land Class II, \$372 on Land Class II and \$376 on Land Class IV. It may be stated then, that on none of the land classes the difference due to distance from town exceeded \$400. It is also assumed here that relationship between assessments and distance from market which existed in 1936 area holds true for

(1) Data taken from "Preliminary Report" on summary of progress made in Connection with the 1936 study.

for 1937 area, both being adjacent areas and quite similar with respect to economic and physical factors. The fact is recognized that some of the variations shown below are partly due to distance from town but many variations cannot be explained in the light of any facts.

Table XV VARIATIONS IN ASSESSMENTS OF 1927-1929 PER QUARTER SECTION WITHIN FOUR UPPER LAND CLASSES FIVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN(1)

Class Interval	Land Class		
	II	III	IV
Number of parcels			
\$1000-1199	3	4	..
1200-1399	16	1	..
1400-1599	51	5	..
1600-1799	53	43	..
1800-1999	77	..	..
2000-2199	68	44	2
2200-2399	91	77	..
2400-2599	101	123	14
2600-2799	66	202	51
2800-2999	82	234	73
3000-3199	41	313	..
3200-3399	44	229	107
3400-3599	14	169	144
3600-3799	5	271	215
3800-3999	..	65	130
4000-4199	..	..	86
4200-4399	..	..	11
4400-4599	..	..	15
4600-4799	..	..	23

(1) All fractional parcels as well as those with nothing broken were eliminated from this table.

In Table XV the wide range of variations within Land Classes II, III and IV will be noted. The assessments of 1927-1929 are used during which the sales value of land did not change appreciably. The assessment on Land Class II varies from \$1000 to \$3800 per quarter, a spread of \$2800. Even if the two lowest and the two highest class intervals are eliminated the range still varies from \$1400 to \$3400 giving a spread of \$2000. If an allowance of \$200 is made for those parcels which are nine miles and over away from a shipping point there still remains a spread of \$1800. Part of this spread may be attributed to the upper and lower limits in assessment in any one land class. There are those marginal quarters in the lower limit that have a productivity of 350 bushels and those of the upper limit with 475 bushels while the bulk of them have a varying productivity somewhere between these two limits. The same is true of all other land classes. Consequently some variation in assessments must be allowed for within any land class but if the increase in assessment is to be proportional to productivity it is readily observed that such is not the case with the assessments of 1927-1929 shown in Table XV. The spread on Land Class II is from \$1000 to \$3800 per quarter, on Land Class III from \$2000 to \$4800. Eliminating the few cases from the upper and lower limits of the distribution of these three land classes there are still the bulk assessments varying from \$1200 to \$3600 per quarter on Land Class II, from \$1600 to \$4000 on Land Class III and from \$2400 to \$4800 on Land Class IV.

The dovetailing of assessments between these three land classes is also interesting. On Land Class III 96.3 per cent of assessments are in the same range as those on Land Class II. Almost 70 per cent of assessments on Land Class IV are in the same range as those found on Land Class II, 84.5 per cent of them being in the same range as Land Class III.

Table XVI Variations in Assessments per Quarter Section on Two of the Major Soil Types. All Level Topography for Parcels Having over 155 Assessed Acres and Over 150 Acres Broken by Years of Assessment.

Class interval (Dollars)	Number of Parcels			
	Haverhill Loam		Haverhill clay loam and Haverhill clay loam to loam	
	Years of assessment		Years of assessment	
	1923-24	1927-29	1923-24	1927-29
Under 2000	..	2	..	4
2000-2199	..	7	..	3
2200-2399	8	2	1	..
2400-2599	5	2	6	2
2600-2799	4	6	6	8
2800-2900	38	12	9	21
3000-3199	41	16	30	27
3200-3399	66	25	219	50
3400-3599	36	40	258	..
3600-3799	37	89	282	29
3800-3999	11	14	157	10
4000-4199	18	14	93	5
4200-4399	12	19	31	1
4400-4599	33	2	46	..
4600-4799	..	..	20	..
4800-4999	..	..	47	..
5000-5199	..	..	43	..

In Table XVI variations in assessments on two of the major soil types found in this area are considered, viz, Haverhill loam and Haverhill clay loam. Only fully broken out parcels on level topography are considered. The assessment

periods of 1923-24 and 1927-29 are used. Theoretically the majority of these parcels should carry nearly the same assessed value except for some slight variations due to distance from market or local soil changes which could not be mapped in a reconnaissance soil map. The 1923-24 assessments vary from \$2200 to \$4600 per quarter on Haverhill loam, a spread of \$2400. On Haverhill clay loam the range is from \$2200 to \$5200 a spread of \$3000. 91.2 per cent of assessments on Haverhill clay loam are in the same range as Haverhill loam. In 1927-29 group the range of assessments is the same for both of these soil types, viz., from \$2000 to \$4600 per quarter. It may be argued that ten or fifteen years ago there was not as much land under cultivation on these parcels as there is today, hence one reason for these variations. But most of the settlement in this area took place before the World War and by 1921 66.8 per cent of the total occupied land had been brought under cultivation and by 1931 only a little over ten per cent was added to the total improved area. (1) It may be reasonably assumed that even back in 1921 most of the level land had been occupied and broken out. Furthermore, the spread in assessments of the 1927-29 group seem to indicate that wide variations on similar parcels do exist irrespective of the year of assessment.

The variations on Sceptre and Regina clays are not as pronounced as those on the lighter textured soils. Owing to the small size of the sample the 1923-24 and 1927-29 assessments were combined as shown in Table XVI A.

(1) Physical and Economic Factors Related to Land Use Classification in Southwest Central Saskatchewan." Publication 609, Technical Bulletin No 15, Dept. of Farm Management, Univ. of Sask. with Agric. Economics Branch. Dom. Dept. of Agriculture cooperat

Table XVI A VARIATION IN ASSESSMENTS PER QUARTER SECTION ON
CLAYS AND HEAVY CLAYS OF REGINA AND SCEPTRE SERIES
OF ALL LEVEL TOPOGRAPHY FOR PARCELS HAVING OVER
155 ASSESSED ACRES AND OVER 150 ACRES BROKEN
ASSESSMENT OF 1923-24 and 1927-29 COMBINED.

Class interval (Dollars)	<u>Number of parcels</u>	
	Sceptre clay and heavy clay	Regina clay and heavy clay
3000-3199	2	..
3200-3399	1	..
3400-3599	7	..
3600-3799	9	..
3800-3999	29	4
4000-4199	33	6
4200-4399	29	5
4400-4599	45	12
4600-4799	27	9
4800-4999	16	34
5000-5199	8	19
5200-5399	..	57
5400-5599	..	39
5600-5799	..	305

The range on Sceptre clay and heavy clay is from \$3000 to \$5200 but when the four lower class intervals are excluded the spread is narrowed down to \$1400 ranging from \$3800 to \$5200. On the Regina series the range is from \$3800 to \$5600 but on eliminating the first three class intervals the range is cut down to \$1200 ranging from \$4400 and \$5600. Only 18.2 per cent of assessments on Regina clays are in the same range as the Sceptre clays. Over 62 per cent of assessments on Regina clays are in the same class interval, viz - between \$5600 and \$5800.

ASSESSMENT AND SOIL TYPES:

The assessors appraisal of the various soil groups is presented in Table XVII

Table VII RELATION OF ASSESSMENT TO SOIL TYPES LEVEL TOPOGRAPHY WITH PARCELS ASSESSED FOR 150 ACRES AND OVER AND HAVING OVER 150 ACRES UNDER CULTIVATION BY YEARS OF ASSESSMENT - Assessments of 1923-24

	Coarse sandy loams	Fine sandy loams	'Blow outs' loams	Loams	Clay loams	Sc C and Hv.C	Regina clay and Hv clay
<u>Assessments of 1923-24</u>							
Number of parcels	63	75	28	432	1709	155	559
Assessed value (\$00 omitted)	118	1557	836	14710	61357	5617	29490
Assessed acreage	11189	11977	4476	68979	272100	24357	88942
Average assessed value per acre (\$)	10.00	13.00	18.70	21.30	23.00	23.10	33.20
<u>Assessments of 1927-29</u>							
Number of parcels	..	36	82	326	732	..	..
Assessed value (\$00 omitted)	..	740	1908	11188	24866	..	..
Assessed acreage	..	5732	13089	52052	115656	..	..
Average assessed value per acre (\$)	..	12.90	14.60	21.50	21.50	..	..
<u>Assessments of 1930-26</u>							
Number of parcels	94	90	..	129	114	70	..
Assessed value (\$00 omitted)	484	935	..	3008	3238	2010	
Assessed acreage	15004	14360	..	20533	18111	11113	
Average assessed value per acre(\$)	3.30	6.50	..	14.70	17.90	18.10	

All three groups of assessment periods are taken, 1923-24, 1927-29 and 1930-36. Coarse sandy loams were assessed at an average value of \$10.00 an acres in 1923-24 but after ten years the same soil type was cut down to a third of its former value. There were not enough quarters to determine the assessed value of the 1927-29 group on this soil type. Fine sandy loams carried practically the same average assessment during the years 1923-24 and 1927-29 -- \$13.00 and \$12.90 per acre respectively. In the 1930-36 period this soil dropped to \$6.50 per acre, about one half of its former value. The 'blow-out' loams of the Echo series were assessed at \$18.70 in 1923-24 but were reduced to \$14.60 in 1927-29. There is no significant difference shown in assessments of loams in the first two periods, the values being \$21.30 and \$21.50 per acre respectively. This value was reduced to \$14.70 in the drought period. A slight difference is observed in the average assessments of clay loams in the first two periods. The 1923-24 value is \$23.00 per acre as compared with 1927-29 value of \$21.50 per acre. The same soil was reduced to \$17.90 in the 1930-36 period. Loams were evaluated at the same figure as the clay loams in 1927-29. It is also observed that clay loams and Sceptre clays carried the same average assessment in 1923-24 appraisals. Regina clay and heavy clay carried the highest average assessment of \$33.20 per acre in 1923-24.

RELATION OF ASSESSMENT TO TOPOGRAPHY AND STONINESS

The degree of association between assessment and such physical factors as topography, stoniness and amount of land broken out will be presented in Tables XVIII, XIX and XIXA.

Table XVIII RELATION OF TOPOGRAPHY AND STONINESS TO ASSESSMENT ALL SOILS ON GENTLY TO STEEPLY ROLLING TOPOGRAPHY AND WITH VARYING DEGREES OF STONINESS INCLUDED.

Stoniness	GENTLY ROLLING			ROLLING			STEEP AND HILLY		
	No of parcels	Aver. value per acre.	Aver. prod. Bus/160 ac.	No of parcels	Aver. value per acre.	Aver. prod. Bus/160 ac.	No of parcels	Aver. value per acre.	Aver. prod. Bus/160 acres
<u>ASSESSMENTS OF 1923-24</u>									
Few stones	598	\$17.90	669	66	\$14.40	582	3	\$12.80	546
Quite stony	425	16.80	587	374	12.10	449	55	9.40	295
Too stony to farm	35	16.20	509	82	11.00	383	92	8.20	250
<u>Assessments of 1927-29</u>									
Few stones	589	\$18.60	664	71	\$14.50	536	1	\$ 7.60	324
Quite stony	913	19.40	644	731	13.50	478	72	10.80	351
Too stony to farm	20	13.60	484	80	10.80	302	42	8.60	141
<u>Assessments of 1930-36</u>									
Few stones	311	\$11.80	586	66	\$10.60	519	..	..	..
Quite stony	149	11.00	507	303	8.20	329	35	\$ 9.10	102
Too stony to farm	9	7.00	246	184	5.10	134	233	3.70	70
<u>Assessments of: All Stoniness</u>									
1923-24	1058	\$17.40	634	522	\$12.30	455	150	\$8.70	272
1927-29	1522	19.05	650	882	13.40	467	115	9.90	274
1930-36	469	11.50	554	553	7.40	287	268	3.70	74

Percent decrease in average assessments from Topography-Gently Rolling to Rolling and Steep Hilly.

ASSESSMENTS OF

1923-24	Rolling topography is 70.69 per cent of Gently Rolling. Steep and Hilly is 50.30% of Gently Rolling
1927-29	Rolling is 70.34 % of Gently Rolling. Steep and Hilly is 51.97% of Gently Rolling.
1930-36	Rolling is 64.35% of Gently Rolling. Steep and Hilly is 32.17% of Gently Rolling.

Table XVIII shows the relationship of assessments to topography and stoniness on all soils in the three assessment periods. The average assessment on gently rolling, rolling and hilly topography with varying degrees of stoniness are compared. Level topography is purposely omitted because of wide variations in soil types found on it, whereas the rolling phases would tend to eliminate these variations to some degree. For the same reason parcels without stones are also excluded. With this procedure the above Table is more or less limited to loams and clay loams which are predominate soil types on rolling phases of topography and with some degree of stoniness. Average productivity in bushels of wheat per 160 acre parcel is included for the dual purpose of reflecting the soil type as well as amount of broken out land. In the case of topography it is interesting to note that in the first two assessment periods, 1923-24 and 1927-29, the average assessments were discounted by approximately 30 and 50 per cent from gently rolling to rolling and hilly topographies respectively. In the 1930-36 assessments rolling topography was discounted by approximately 35 per cent but hilly land was treated more severely, being discounted by almost 68 percent from the value on gently rolling land. Stoniness and amount broken appear to have a joint relationship which affect average assessments to a greater or lesser degree, depending on topography. In all the three assessment periods average productivity per quarter decreases as the degree of stoniness increases and the more rolling the land becomes the greater proportional decrease in productivity is noted.

Stones appear to affect arability to a much greater degree on rolling and hilly land than on gently rolling land, therefore, the discounts given above for rolling and hilly land may be partly attribute to the average amount of broken out land on each topography and partly to topography itself. Since a few townships in municipalities assessed in 1930-36 were not opened up for settlement until 1928 the apparent average productivity per quarter for this group is lower than for either of the other two groups.

A further modification of Table XVIII is presented in Tables XIX and XIXA.

Table XIX RELATION OF ASSESSMENT TO TOPOGRAPHY STONINESS AND AMOUNT
BROKEN ON CLAY LOAM SOILS ALL HAVING APPROXIMATELY THE SAME
PRODUCTIVITY RATING AND ASSESSED IN LI" 1927-1929

Amount Broken		TOPOGRAPHY							
		Level							
<u>0-39 Acres</u>		<u>40-79 Ac</u>		<u>80-119 ac</u>		<u>120-160 ac</u>			
No		No par		No par		No par-			
parcels	Value	cels	Value	cels	Value	cels	Value		
<hr/>									
Free from stones	1	\$8.00	3	\$13.40	7	\$20.20	126	\$22.00	
Few stones	1	5.60	12	14.00	43	16.70	416	22.00	
Quite stony	..	..	11	14.70	28	16.60	187	20.20
Too stony to farm	1	10.00	..	..	3	15.00	3	19.80
Total	3	\$7.90	26	\$14.20	87	\$16.90	732	\$21.50	

GENTLY ROLLING

		1952-53		1953-54		1954-55		1955-56	
Free from stones	..	..	..	..	2	\$18.80	11	\$12.80	
Few Stones	3	\$11.80	9	\$14.30	52	16.60	305	19.50	
Quite stony	7	12.80	41	15.20	124	16.20	551	19.20	
Too stony to farm	1	9.10	1	13.50	2	12.80	4	17.80	
Total	11	\$11.80	51	\$15.00	180	\$16.30	871	\$19.30	

ROLLING

Free from stones	..	..	..	..	2	\$20.30
Few stones	1	\$ 9.80	8	\$12.10	7 29	\$15.00 15.80
Quite stony	29	9.60	78	12.50	141 199	13.30 16.70
Too stony to farm	7	10.20	16	10.60	13 1	12.20 17.40
Total	37	\$9.70	102	\$12.20	161 231	\$14.20 \$16.60

Per cent assessed value on Gently Rolling topography is of assessed value on Level topography on parcels over 75 per cent broken out - 89.8 per cent

Per cent assessed value on rolling topography is of assessed value on Level topography on parcels over 75 per cent broken out - 77.2%

In Table XIX the 1927-29 assessments on Haverhill clay loam and mixtures containing this soil are compared according to the number of acres under cultivation, stoniness and topography. Thus on parcels having over 120 acres under cultivation the average assessments on gently rolling land are 89.5 per cent of those on level land, a discount of a little over ten per cent. The assessments on rolling land are 77.2 per cent of those on level land, a discount of almost 23 percent.

The sample is not large enough on steep and hilly land to make any comparisons. There is also a close association, shown on all the first three phases of topography between amount of land broken out and average assessments. As the amount of land broken out on any one phase increases the average assessment also increased. No definite conclusion can be drawn from this Table regarding influence of stoniness on assessment. For obvious reasons there were only few parcels farmed which had over 120 acres broken and classed as 'too stony to farm'. Considering parcels on all three phases of topography with over 120 acres broken there is no difference shown in assessments on level parcels having no stones or 'few stones', but a drop of almost \$2.00 per acre is observed on level parcels classed as having 'many stones'. There is only a negligible decrease from \$19.50 to \$19.20 on 'gently rolling parcels' from 'few stones' to 'many stones' respectively. On 'rolling' parcels the reverse is true where an increase in value is shown from 'few stones' to 'many stones' being \$15.80 and \$16.70 respectively.

Table XIXA. RELATION OF ASSESSMENT TO TOPOGRAPHY STONINESS
AND AMOUNT BROKEN ON LOAM SOILS ALL HAVING
APPROXIMATELY THE SAME PRODUCTIVITY RATING
AND ASSESSED IN 1930-36.

Amount broken	0-39 ac		40-79 ac		80-119ac		120-160ac	
	No of parcels	Aver. value per acre	No of parcels	Aver. value per acre	No of parcels	Aver. value per acre	No of parcels	Aver. value per acre
<u>Topography: Level</u>								
Free from stones	..	..	..	..	..	..	13	\$12.20
Few stones	..	..	..	..	..	..	32	17.50
Quite stony	..	..	..	..	..	..	13	15.80
Too stony to farm	..	..	..	..	..	..	2	15.70
<u>Gently Rolling</u>								
Free from stones	1	\$5.00	1	\$8.10	2	\$5.00	..	..
Few stones	4	5.10	3	6.20	9	10.10	36	\$13.20
Quite stony	5	6.70	11	7.50	12	8.10	25	10.90
Too stony to farm	4	1.60	..	..	1	15.00	1	14.40
<u>Rolling</u>								
Free from stones	..	..	..	..	..	..	..	..
Few stones	5	\$6.30	4	\$9.80	1	\$10.20	19	\$10.50
Quite stony	83	3.30	31	7.40	35	8.80	23	10.70
Too stony to farm	87	3.20	14	7.20	13	10.10	6	11.90

Table XIXA is arranged similarly to Table XIX but the data is for Haverhill Loam soils assessed in 1930 - 36. As in the case of heavier soils the close association which exists between average assessments and amount of land broken is shown again in this Table. With respect to topography there is a drop of almost 23 per cent from assessments on level parcels to assessments on gently rolling parcels with more than three quarters under cultivation. A 32 per cent decrease is noted when assessments on rolling topography are compared with the parcels on the level. Thus it may be concluded that in the opinion of assessors there was a discount ranging from 10 to 23 per cent due to gently rolling topography as compared with the level land on parcels over seventy-five per cent broken out. In the case of rolling land the discount from level land varied from 23 to 32 per cent.

ASSESSMENT AND PRODUCTIVITY.

In the remaining part of this study it is proposed to introduce a method of assessment based on the productive capacity of the land. This method would necessarily assess land at a value which would be directly proportional to its productivity in bushels of wheat for sale over a period of years as determined by the economic surveys. In other words such assessment would essentially mean a distribution of the total tax levy at an equal rate per bushel of wheat raised for sale within a municipality over a period of years. This method of assessment would not tax equally each farmer's net income within the municipality but would tend to tax equally over a period of years

his gross sales of wheat irrespective of the size of farm he operates. To determine the average annual production of wheat per quarter the same method would have to be used as that in the economic land classification explained elsewhere in this study. This scheme would be applicable to areas where wheat supplies at least three quarters of the farm income as is true of the twelve rural municipalities considered in this study.

In the further discussion of this 'productivity' method of assessment only physical factors shall be considered.

No account shall be taken of such economic factors as distance from market, freight rates on grain, fuel, oil and the like. The area of these twelve rural municipalities will be dealt with as a whole. Once the Land Class is determined and consequently 'productivity' assessed value placed on a parcel it would be a simple matter to make an adjustment for such economic factors as may result from the location of the particular parcel.

As a starting point the bench mark of \$32.00 per acre for Regina heavy clay is used.(1)

It has been already established that the maximum annual production of wheat for sale over a period of years on this soil is approximately 1123 bushels the upper limit of Land Class V. From this figure proportional values are determined for the upper and lower limits of the remaining three land classes, i., e. Land Classes IV, III and II. For example, the assessed value per acre of the lower limit of Land Class V would bear the same relation to 900 bushels of wheat (the lower limit of annual production for sale per quarter section on Land Class V) as \$32.00

(1) "Report on Rural Land Assessment in the Province of Saskatchewan" 1938 T. H. Freeman, p. 14

to 1123 bushels and so forth, remembering that the assessed value per acre of the lower limit of any one land class is at the same time the assessed value of the upper limit in the next lower land class.

The following calculation will illustrate method of arriving at the proportional assessment values of the upper and lower limits of the various land classes.

$\frac{\$32.00}{1123 \text{ bus}} = \frac{X}{906 \text{ bus.}}$, solving for X a value of \$25.60 is obtained which is the assessed value per acre of the lower limit of Land Class V as well as of the upper limit of Land Class IV.

Similarly $\frac{\$32.00}{1123 \text{ bus.}} = \frac{X}{720 \text{ bus.}}$ gives a value of \$20.50 per acre, the lower limit of Land Class IV and the upper limit of Land Class III.

Thus a range of assessed values is established down to the lower limit of Land Class II. Since submarginal land (Land Class I) is essentially a pasture land no productivity assessed values can be established for it on the basis of wheat production. A flat rate of \$3.00 per acre (1) shall be applied to all parcels having less than 350 bushels of wheat for sale annually. In Table XX the upper and lower limits of assessed values for each landclass in proportion to the productivity is shown, all values being directly proportional to productivity set for the upper limit of Land Class V and the bench mark of \$32.00 per acre. The lowest productivity assessment

(1) This value is used at present by the Sask. Assessment Commission in assessing grazing land in southern Saskatchewan

Table XX UPPER AND LOWER LIMITS OF ASSESSED VALUES FOR EACH LAND CLASS BASED ON PRODUCTIVITY USING BENCH MARK OF \$32.00 PER ACRE FOR UPPER LIMIT OF LAND CLASS V

Assessed value per acre	Land Class	Assessed Value per 160 Acres.
\$25.60 - \$32.00	V	\$4100 - \$5100
20.50 - 25.60	IV	3300 - 4100
13.60 - 20.50	III	2200 - 3300
10.00 - 13.60	II	1600 - 2200

on land which would just come into cultivation is \$10.00 per acre. It is interesting to note that the Saskatchewan Assessment Commission recommends \$8.00 as the lowest possible value for assessing marginal land, which would correspond to Land Class II.

By using the average productivity per quarter (1) in the four land classes of the 1936, and 1937 survey areas, the average 'productivity' assessed values for each land class are determined as shown in Table XXI.

Table XXI AVERAGE ACTUAL ASSESSED VALUE PER ACRE BY LAND CLASSES COMPARED WITH ASSESSMENTS BASED ON AVERAGE PRODUCTIVITY FOR EACH LAND CLASS AND BENCH MARK OF \$32.00 PER ACRE, 1936 and 1937 ECONOMIC SURVEYS.

Land Class	1937 Survey		1936 Survey	
	Aver. productivity assessed value	Actual assessed ment.	Aver. productivity assessed value	Actual assessment.
V	\$27.10	\$30.67	\$27.80	\$27.10
IV	23.30	22.15	20.70	21.00
III	18.50	18.13	17.10	17.20
II	14.20	13.01	13.50	12.74

(1) "Preliminary Report May 1937", p. 22 and "Preliminary Report, July 1938", p 28.

In the preceding Table the average 'productivity' values are compared with the actual average assessed values by land classes. In the seven municipalities surveyed in 1936 there is very little discrepancy shown between the 'productivity' and actual average assessed values in any one land class. In all cases the difference is less than one dollar per acre. In the 1937 area the largest discrepancy exists on Land Class V, where the difference is over \$3.50 per acre. It will be observed that the average 'productivity' value on Land Class II is higher than the upper limit set for this land class in Table XX. The explanation lies in the fact that the average productivity on this land class was higher than the upper limit for Land Class II due to reasons given elsewhere.(1) On Land Classes III and IV the difference between the 'productivity' and the actual average assessed values is very small. From this Table it appears that there was a strong tendency on the average to assess Land Class II or better in direct proportion to productivity. Thus from the standpoint of Provincial Revenue Tax, on the whole, none of the land classes above Land Class I in either of the 1936 or 1937 areas were much over or under assessed. Land Class I however, was much over assessed which up to 1929 was usually assessed at an average value of approximately two dollars per acre.

Table XXII is set out to show the inequitable distribution of Public Revenue Tax levy in the twelve municipalities, if total 'productivity' of each municipality is considered a fair basis for any tax levies. Having estimated the sixteen year average annual production of wheat for sale in each municipality the total amount for sale was determined for the whole area. Dividing the total into the total annual Public Revenue Tax levy

(1) Preliminary Report, July 1938, pp. 29-30

TABLE XXII EXTENT OF ANNUAL OVERPAYMENT OR UNDERPAYMENT OF PUBLIC REVENUE TAX LEVY FROM 1921 to 1936 BY THE TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN ASSUMING AN EQUAL LEVY PER BUSHEL OF WHEAT PRODUCED FOR SALE DURING THIS PERIOD.

Rural municipality	R. M. No.	Aver. annual Public revenue tax levy 1921-36	'Equalized' annual tax levy P.R.T.	Annual overpayment or underpayment	Per cent overpayment or underpayment is of 'equalized annual levy.
Wheatlands	163	\$4604	\$4145	\$ 459	11.1
Caron	162	5705	4738	967	20.4
Rodgers	133	3211	3721	-510	-13.7
Hillsborough	132	1495	1351	144	10.7
Baildon	131	8204	5811	2393	41.2
Sutton	103	7235	8283	-1048	-12.7
Lake Johnstone	102	4456	4633	-177	- 3.8
Terrell	101	4538	4490	48	1.1
Elmsthorpe	100	6020	5827	193	3.3
Stonehenge	73	9077	9965	-888	-9.9
L. of the Rivers	72	5881	6561	-680	-10.4
Willow Bunch	42	6624	7392	-768	-10.4

for the whole area gives an 'equalized' levy of nine mills per bushel for the twelve municipalities. (1)

Thus to equalize the incidence of the Public Revenue Tax during the last sixteen years each municipality should have paid to the Provincial Treasury nine mills per bushel of wheat sold during that period. Multiplying the estimated annual production of each municipality by the above rate an 'equalized' annual Public Revenue Tax levy for each municipality was obtained. The difference between the actual levy and the 'equalized' levy represents the estimated overpayment or underpayment as the case may be, by each municipality for the past sixteen years. These differences indicate the degree of the inequality that exists between the present aggregate assessments of the twelve rural municipalities.

Within the twelve municipalities Terrell's actual Public Revenue Tax levy was only \$50 more than the 'equalized' levy of 1.1 per cent. Baidon was overtaxed by 41.2 per cent which resulted in an annual overpayment of \$2400 in provincial taxes during the past sixteen years. Rodgers has an aggregate which caused its provincial levy to be 13.7 per cent below the 'equalized' levy. Only four municipalities have aggregate assessments less than

(1) Public Revenue Tax was chosen arbitrarily for the purpose of illustration. It is a provincial tax paid by all the municipalities at a flat rate on their aggregate assessments.

ten per cent above or below their 'equalized' assessment. Six are from ten to twenty per cent under or over assessed. The remaining two are more than twenty per cent overassessed when compared with the 'equalized' assessment.

The matter of inequalities in aggregate assessments as between municipalities is an important issue both to the municipalities themselves as well as to the Provincial Government. No municipality desires to carry more than its proportional share of the Public Revenue Tax nor should the government lose any of the revenue from those municipalities that carry less than their proportional share of the Provincial Levy.

A similar comparison of assessments as between the various land classes within each municipality is set out in Table XXIII. page 49.

This Table shows the existing relative inequalities in assessments between land class of each municipality. The productivity of each land class again is the basis of comparison except in the case of Land Class I (pasture land) where a flat rate of \$2.00 per acre for government owned land and \$3.00 per acre for all other pasture land is used. Thus the Public Revenue Tax levy on grazing land when based on the above rate of \$2.00 and \$3.00 shall be termed as an 'adjusted' levy rather than an 'equalized' levy. The difference between actual and 'equalized' or adjusted levies indicate an unequal distribution of taxes between the various land classes due to assessments on each land class being out of line with relative productivity.

Table XXIII **EXTENT OF ANNUAL OVERPAYMENT OR UNDERPAYMENT OF PUBLIC REVENUE TAX LEVY FROM 1921 to 1936 BY LAND CLASSES WITHIN ELEVEN RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN ASSUMING AN EQUAL LEVY PER BUSHEL OF WHEAT PRODUCED FOR SALE DURING THE PERIOD(1)**

Rural municipality	R. M. No	Aver. annual P.R.T. levy 1921-36	'Equalized' annual tax levy. (2)	Annual overpay- ment or under- payment	Per cent over payment or under payment is of 'equalized annual levy.
Land Class I					
Caron	162	\$928	\$675	\$675	267
Rodgers	133	1317	413	904	219
Hillsborough	132	1165	408	757	186
Baildon	131	1157	318	839	264
Sutton	103	467	113	354	313
Lake Johnstone	102	733	182	551	303
Terrell	101	1832	468	1364	291
Elmsthorpe	100	1422	364	1058	291
Stonehenge	73	316	83	233	281
L. of the Rivers	72	482	137	345	252
Willow Bunch	43	1353	346	1007	291
Total: 11 RM's		\$..	..	..	262.1
Land Class II					
Caron	162	\$313	\$355	\$-42	-11.8
Rodgers	133	348	395	-47	-11.9
Hillsborough	132	368	624	-256	-41.0
Baildon	131	860	923	- 63	- 6.8
Sutton	103	539	452	87	19.2
Lake Johnstone	102	277	277	..	..
Terrell	101	1004	1036	-332	- 3.1
Elmsthorpe	100	1011	1232	-221	-17.9
Stonehenge	73	66	66	..	..
L. of the Rivers	72	244	185	59	31.9
Willow Bunch	43	633	612	151	29.5
Total: 11 RM's		..	..	..	..6.0
Land Class III					
Caron	162	\$622	\$788	\$-168	-21.3
Rodgers	133	1106	1334	-228	-17.1
Hillsborough	132	158	238	-80	-33.6
Baildon	131	1960	2545	-585	-22.9
Sutton	103	1473	1453	20	1.4
Lake Johnstone	102	1659	1799	-140	- 7.8
Terrell	101	2318	2513	-195	- 7.8
Elmsthorpe	100	2873	3170	-297	- 9.4
Stonehenge	73	3059	2936	123	4.2
L. of the Rivers	72	967	927	40	4.3
Willow Bunch	43	3346	3321	125	3.9
Total; 11 RM's					-6.6

(continued)

Table XXIII (continued.)

Rural municipality	R.M. No	Aver. annual P.R.T levy 1921-36	'Equalized' annual tax levy	Annual over-payment etc	Per cent over payment or under payment is of 'equalized' annual levy.
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Land class IV

Caron	162	\$540	\$662	\$-122	-18.4
Rodgers	133	938	1181	-243	-20.6
Hillsborough	132	144	274	-130	-47.4
Baildon	131	1873	2405	-532	-22.1
Sutton	103	4727	4861	-134	- 2.8
Lake Johnstone	102	1735	1882	-147	- 7.3
Terrell	101	396	427	- 31	- 7.3
Elmsthorpe	100	824	898	- 74	- 8.2
Stonehenge	73	5459	5680	-221	- 3.4
L of the Rivers	72	2740	2740	..	..
Willow Bunch	43	2470	2522	- 52	- 2.1
Total: 11 R.M's					- 7.2

LAND CLASS V

Caron	162	\$3332	\$3492	\$-160	- 4.6
Baildon	131	2047	2493	-446	-17.9
Sutton	103	267	288	- 21	- 7.3
Lake Johnstone	102	59	97	- 38	-39.2
Stonehenge	73	184	213	- 29	-13.6
Lake of the Rivers	72	1574	1820	-246	-13.5
Total 6 R.M's.					-11.2

(R.M. No 163)

- (1) Wheatlands/was excluded from this Table.
See footnote, page 12
- (2) P.R.T. (Annual Levy 1921-36) was adjusted for Land Class I.

It will be observed that actual levies on Land Class I (grazing land) were by far the most out of line when compared with taxes on the better grades of land. This resulted in an unusually high overpayment of the provincial levy on Land Class II (submarginal land). The actual levy in all municipalities except Hillsborough was more than twice the estimated 'adjusted levy'. In Sutton, and Lake Johnstone it was over three times the 'adjusted' levy. In the case of Land Class II in both Lake Johnstone and Stonehenge the two levies were the same. In Lake of the Rivers and Willow Bunch the actual levy exceeded the 'equalized' levy by about 30 per cent. In Hillsborough the actual levy was 41 per cent less than the 'equalized' levy.

Land Class III was within a ten per cent limit of under or overpayment in seven municipalities. Hillsborough's levy on this class was 33.6 per cent less than its 'equalized' levy.

The levy on Land Class IV in the same seven municipalities as on Land Class III was within a ten per cent limit of the 'equalized' levy. Hillsborough was undertaxed by 47 per cent while three other municipalities were undertaxed by approximately twenty per cent.

In Table XXIV, page 51, a comparison is made between present (1936) aggregate assessments and 'productivity' aggregates. The 'productivity' assessments were determined by using mid-values per acre for Land Classes two to five.

(See Table XX) and the nominal values of two and three dollars per acre for Land Class I. No consideration was given to either

economic factors such as distance from town, kind of roads, freight zones and the like. The final analysis of an allowance were to be made for these economic factors the 'productivity' assessments would be somewhat lower than shown in the following Table.

TABLE XXIV PRESENTS (1937) LAND ASSESSMENT COMPARED WITH PROPOSED 'PRODUCTIVITY' LAND ASSESSMENT TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN.

Rural Municipality	R.M. No.	Present land assessment (1937)	Proposed 'productivity' assessment.	Per centage reduction from present assessment.	
Wheatlands	163	1,675,400	1,661,700	0.8	Actual 1937 Assessment
Caron	162	2,937,000	2,389,300	20.0	
Rodgers	133	1,665,000	1,760,700	5.7	
Hillsborough	132	775,800	665,800	14.1	507,977
Baildon	131	4,345,800	3,121,300	28.2	3,033,600
Sutton	103	4,016,200	3,863,700	3.8	
Lake Johnstone	102	2,328,900	2,070,900	11.1	1,562,430
Terrell	101	2,564,100	2,083,500	18.7	1,464,900
Elmsthorpe	100	3,123,500	2,460,100	21.4	2,084,270
Stonehenge	70	4,894,900	4,791,100	2.1	
Lake of the Rivers	72	3,302,500	3,251,900	1.5	2,561,710
Willow Bunch	43	3,934,700	3,584,100	8.9	2,263,000
Total 12 R.M.'s		35,618,800	31,704,100	11.0	

@ Percentage increase

It is impossible to take these other factors into consideration here since it would be necessary to consider every parcel separately. It is not the purpose of this Table to allocate the correct aggregates to each municipality as such is only possible after considering every parcel of land, as mentioned above. Its purpose is to show the existing relative inequalities between the aggregate assessments of the twelve municipalities if productive capacities are to be used as a measure of tax-paying abilities and \$3200 as the bench mark for the best land in the province.

In 1936 of the twelve municipalities four had aggregate assessments which were not more than five per cent above the 'productivity' aggregates, one between five and ten per cent, four between ten and twenty and two municipalities had aggregates over twenty per cent above the 'productivity' values. One municipality was actually a little over five per cent below its 'productivity' value.

SUMMARY

1. In areas where wheat supplies over 80 per cent of gross farm revenue taxes amounted to 16 to 20 per cent of the farm cash expenses on one-half section farms and from 12 to 15 per cent on one section farms during the last 15 or 20 years. On a 'marginal' three-quarter section farm they were approximately 25 per cent.

2. Tax collections were in direct proportion to the productivity of the land.

3. Wide and uneven variations exist at present in assessed values between similar land classes in different municipalities as well as between the various land classes within the municipalities. These variations tend to be ironed out, however, when the assessments of each land class, throughout the area are all averaged together. The average assessments for Land Classes II to V taken over a large area seem to bear a close relationship to their average productivity.

4. There was a lack of uniformity in the assessments made by the same assessors in two different periods.

5. There was a wide range in assessed values of parcels having similar physical and economic characteristics.

6. The 'comparative' method of assessment based on sales values of land will always cause inequalities in assessments between (a) individual parcels, (b) various land classes; (c) aggregate assessments of municipalities.

7. If the present 'bench mark' of \$32.00 per acre is to constitute the maximum assessed value for the best land in Saskatchewan many of the present aggregate municipal assessments

would have to be scaled down which would result in a decreased total Public Revenue Tax levy on rural land, unless the present mill rate is raised. The reduction for the twelve municipalities amounted to approximately eleven per cent.

8. The 'productivity' method of assessment as outlined in this study, would be applicable to areas where wheat growing is the major enterprise and would essentially mean a tax at a uniform rate on the estimated average gross sales of wheat (or the estimated potential capability of producing same) of a quarter section over a long period of years.

Discussion

APRIL 1939

MMB

APPENDICES

AREA AND ASSESSMENTS, TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN

Year	No. of acres assessed	Net taxable land assessment		Total net taxable assessment	General municipal tax levy	Total school tax levies	Total arrear taxes to be collected		Amount realized	Percent collected Dec. 31	Total uncollected arrears	Total current levy
		(000)	(000)				(00)	(00)				
1921	2473	\$2641	\$409	\$291	\$64	\$1252	\$538	43.0	\$714	\$763		
1922	2460	2501	262	257	50	1352	809	59.8	486	694		
1923	2467	2502	263	318	52	1320	974	73.8	292	788		
1924	2428	2484	262	338	52	1148	767	66.8	349	811		
1925	2424	3065	229	371	65	1199	805	67.1	377	825		
1926	2430	3050	335	344	67	1347	1126	83.7	191	932		
1927	2456	3077	352	382	53	1204	871	72.4	329	987		
1928	2460	3168	364	420	55	1480	1111	75.0	357	1117		
1929	2482	4068	409	477	68	1564	704	45.0	810	1165		
1930	2483	4020	416	352	62	2043	649	31.8	1037	1154		
1931	2483	4013	327	264	62	1998	309	15.4	1244	864		
1932	2482	4005	331	168	83	2169	301	13.9	1844	816		
1933	2484	3989	266	167	82	2736	259	9.5	2444	687		
1934	2485	3948	245	173	82	3232	193	6.0	3012	671		
1935	2488	3937	244	165	81	3882	601	15.5	3186	719		
1936	2489	3935	203	157	81	3951	248	6.3	3672	605		
Lake of the Rivers #72												
1921	1619	3115	347	233	65	985	568	57.8	417	645		
1922	1614	3099	252	238	62	1031	763	74.0	224	649		
1923	1601	3065	249	232	62	1045	704	67.5	305	794		
1924	1596	3037	198	219	61	1008	791	78.4	192	676		
1925	1604	3038	198	242	61	905	683	75.5	221	695		
1926	1620	3040	213	256	61	985	773	78.5	196	744		
1927	1619	3029	212	269	45	956	744	77.7	206	742		
1928	1621	3033	243	297	45	1036	827	79.8	203	812		
1929	1638	3318	282	296	50	1032	650	63.0	378	808		
1930	1638	3322	250	263	50	1197	548	45.7	573	785		
1931	1644	3319	250	217	50	1312	233	17.7	762	687		
1932	1639	3305	231	182	66	1473	286	19.4	1182	647		
1933	1630	3299	148	100	66	1719	263	15.3	1431	443		
1934	1626	3294	132	101	66	1892	243	12.9	1636	414		
1935	1636	3294	115	104	66	2104	370	17.6	1713	386		
1936	1633	3303	132	121	66	2175	209	9.6	1949	376		

APPENDIX A CON'D. (2)

Year	No. of acres assessed	Net taxable land			Total			Percent collected Dec. 31	Total uncollected arrears	Total current levy
		(000)	(000)	(000)	General municipal tax levy	school tax levies	Public revenue tax			
			(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
<u>Stonehenge #73</u>										
1921	2459	\$4678	---	\$472	\$348	\$98	\$1431	\$823	\$608	\$918
1922	2454	4647	4674	332	336	93	1424	1100	268	887
1923	2451	4632	4659	331	322	93	1177	721	377	884
1924	2453	4688	4724	289	345	94	1269	1024	236	860
1925	2455	4670	4710	335	365	94	1367	1082	252	1105
1926	2450	4656	4785	335	374	96	1418	1174	241	1141
1927	2448	4637	4785	335	400	72	1410	1134	267	1147
1928	2450	4868	5055	354	411	76	1574	1293	269	1280
1929	2444	4923	5115	409	416	77	1515	992	520	1215
1930	2448	4876	5107	407	403	77	1901	713	1036	1330
1931	2448	4912	5087	354	353	76	2151	475	720	1026
1932	2443	4893	5067	354	301	101	1827	370	1422	1039
1933	2451	4899	5070	275	229	101	2276	163	2106	761
1934	2451	4898	5064	183	181	101	2881	402	2464	630
1935	2451	4898	5059	158	191	101	3185	461	2694	626
1936	2451	4895	5061	145	219	101	3360	243	3108	559
<u>Elmsthorpe #100</u>										
1921	2024	3435	---	569	319	87	1588	433	1155	975
1922	2028	3438	3438	172	241	69	1664	811	504	668
1923	2053	3288	3288	263	274	66	1359	748	571	811
1924	2039	3261	3261	326	197	65	1407	860	447	776
1925	2005	3172	3177	318	236	64	1269	815	421	777
1926	1987	3162	3162	253	248	63	1221	728	470	760
1927	1987	3048	3048	274	267	46	1313	855	390	799
1928	2014	3050	3067	307	258	46	1285	879	361	853
1929	2058	3151	3169	317	270	48	1214	622	547	819
1930	2053	3159	3175	316	266	48	1473	489	602	866
1931	2050	3158	3172	317	216	48	1379	192	786	723
1932	2052	3151	3166	285	119	63	1527	265	1218	655
1933	2080	3148	3162	253	99	63	2484	338	2118	531
1934	2037	3128	3142	251	107	63	2780	160	2616	542
1935	2032	3126	3140	314	105	63	3311	214	3032	617
1936	2042	3129	3142	314	101	63	3646	206	3420	568

APPENDIX A CON'D. (3)

Year	No. of acres assessed	Net taxable land assessment (000)	Total net taxable assessment (000)	General municipal tax levy (00)	Total School tax levies (00)	Total		Amount realized (00)	Percent collected Dec. 31	Total uncollected arrears (00)	Total current levy (00)
						Public revenue tax (00)	arrear taxes to be collected (00)				
Terrell #101											
1921	2105	\$2216	---	\$261	\$232	\$53	\$960	\$526	34.0	\$634	\$545
1922	2059	2177	2187	155	209	44	1063	569	53.6	402	496
1923	2028	2142	2151	131	194	43	886	492	55.5	349	452
1924	2008	2140	2152	131	203	43	843	521	61.8	243	466
1925	1917	2099	2112	129	215	42	739	484	65.5	219	475
1926	1949	2129	2185	142	229	44	749	481	64.2	238	507
1927	2032	2187	2264	158	231	34	932	594	63.7	318	669
1928	2036	2181	2258	203	232	34	1054	792	75.2	238	707
1929	2062	2630	2720	231	237	41	959	451	47.1	488	697
1930	2075	2629	2716	217	220	41	1235	511	41.2	613	702
1931	2094	2625	2712	110	163	41	1234	181	14.7	773	564
1932	2073	2625	2713	149	101	54	1324	227	17.2	1069	475
1933	2060	2617	2705	149	88	54	1597	125	7.8	1466	438
1934	2045	2598	2679	177	83	54	1966	140	7.1	1735	429
1935	2011	2572	2653	133	84	53	2160	221	10.2	1874	333
1936	2031	2564	2644	132	98	53	2301	167	7.3	2081	328
Lake Johnstone #102											
1921	1360	2559	---	204	195	54	889	359	40.0	530	454
1922	1359	2519	2535	128	242	50	996	578	58.0	365	498
1923	1345	2378	2397	121	21	48	853	443	51.9	397	269
1924	1338	2364	2384	121	216	48	892	512	57.4	337	460
1925	1340	2360	2383	121	203	48	812	483	59.5	293	447
1926	1347	2352	2394	144	218	48	934	672	71.9	235	612
1927	1343	2343	2384	155	205	36	850	577	67.9	248	591
1928	1343	2344	2386	215	216	36	963	683	70.9	260	689
1929	1347	2362	2404	216	223	36	921	467	50.7	451	634
1930	1343	2343	2380	190	212	36	1127	437	38.8	568	633
1931	1344	2338	2372	166	181	36	1128	164	14.6	358	512
1932	1342	2330	2368	142	126	47	809	143	17.7	646	419
1933	1336	2317	2358	71	98	47	1113	167	15.0	940	284
1934	1332	2314	2363	71	97	47	1374	187	13.6	1134	280
1935	1329	2324	2407	72	101	48	1474	253	17.2	1208	275
1936	1335	2329	2410	72	99	48	1508	161	10.7	1332	250

APPENDIX A CON'D. (4)

Year	No. of acres assessed	Net taxable land assessment (000)	Total net taxable assessment (000)	General municipal tax levy (00)	Total school tax levies (00)	Public revenue tax (00)	Total arrears and current taxes to be collected (00)	Amount realized (00)	Percent collected Dec. 31	Total uncollected arrears (00)	Total current levy (00)
1921	2015	\$3783	\$---	\$571	\$311	Sutton #103 \$76	\$1482	\$895	60.0	\$587	\$959
1922	2016	3786	3786	379	335	76	1511	1019	67.4	487	946
1923	2024	3789	3789	379	314	76	1468	886	60.4	578	939
1924	2039	3860	3860	270	297	77	1420	1003	70.6	409	794
1925	2039	3850	3850	193	275	77	1149	822	71.6	291	705
1926	2049	3854	3854	270	323	77	1163	891	76.6	258	847
1927	2051	3840	3840	269	316	58	1097	810	73.9	283	816
1928	2054	3958	3958	277	337	59	1184	880	74.4	293	867
1929	2041	4009	4009	281	329	60	1155	697	60.4	450	836
1930	2051	4013	4013	281	313	60	1333	586	44.0	571	841
1931	2051	4015	4015	278	250	60	1347	252	18.7	532	725
1932	2051	4029	4029	282	151	81	1205	303	25.2	715	622
1933	2039	4016	4016	195	94	80	1186	151	12.8	982	408
1934	2038	4011	4011	201	110	80	1428	402	28.2	939	411
1935	2042	4010	4010	200	136	80	1425	393	27.5	978	439
1936	2046	4016	4016	201	157	80	1481	303	20.5	1136	454
1921	2006	4359	---	488	271	98	1239	706	57.0	532	858
1922	2013	4344	4368	223	216	87	1115	819	73.4	283	663
1923	2015	4357	4376	223	228	87	997	667	66.9	316	687
1924	2011	4370	4370	223	234	87	1004	677	67.5	318	660
1925	2018	4327	4347	223	232	87	1013	720	71.0	250	665
1926	2001	4314	4380	219	227	88	958	712	74.2	239	673
1927	2009	4312	4382	241	226	66	966	695	71.2	249	702
1928	2013	4320	4390	241	235	66	1012	741	73.2	258	740
1929	2021	4388	4477	246	226	67	985	495	50.3	475	703
1930	2027	4389	4478	245	218	67	1244	445	35.7	574	724
1931	2032	4389	4480	243	177	67	1252	174	13.9	1070	623
1932	2029	4382	4476	201	63	89	1677	315	18.8	1325	516
1933	2020	4366	4460	134	70	89	1836	310	16.9	1462	405
1934	2015	4362	4446	133	65	89	1921	196	10.2	1656	393
1935	2010	4352	4435	177	68	89	2164	328	15.2	1823	425
1936	2013	4346	4428	155	79	89	2295	403	17.6	1835	379

APPENDIX A CON'D. (5)

Year	No. of acres assessed	Net taxable		Total net taxable assessment (000)	General municipal tax levy (00)	Total school tax levies (00)	Public revenue tax (00)	Total arrears and current taxes to be collected (00)	Amount realized (00)	Percent collected Dec. 31	Total uncollected arrears (00)	Total current levy (00)
		land	assess-ment									
Hillsborough #132												
1921	1114	\$843	\$---	\$113	\$60	\$17	\$332	\$113	34.0	\$219	\$190	
1922	1125	836	836	84	56	17	356	198	55.6	124	186	
1923	1124	829	829	83	55	17	315	123	39.0	157	181	
1924	1124	821	821	82	84	16	379	194	51.3	158	209	
1925	1127	818	818	82	89	16	385	215	55.8	135	214	
1926	1123	804	804	80	94	16	363	197	54.4	150	217	
1927	1127	802	802	80	88	12	373	198	52.9	155	211	
1928	1122	797	797	80	88	12	376	195	51.8	174	209	
1929	1124	806	806	81	87	12	400	166	41.6	204	210	
1930	1124	806	806	81	83	12	425	136	32.0	264	205	
1931	1124	806	813	105	75	12	507	79	15.5	422	222	
1932	1124	800	808	77	43	16	624	72	11.5	518	164	
1933	1124	792	801	64	43	16	686	62	9.1	621	126	
1934	1124	791	801	64	29	16	761	61	8.0	694	112	
1935	1123	788	798	64	24	16	836	84	10.0	734	108	
1936	1122	776	785	63	33	16	885	80	9.1	802	115	
Rodgers #133												
1921	1617	1503	---	130	108	30	508	209	41.0	299	368	
1922	1726	1509	1522	91	125	30	548	264	48.1	265	278	
1923	1704	1490	1508	90	107	30	546	283	51.9	246	259	
1924	1713	1504	1517	91	106	30	530	281	53.1	198	263	
1925	1632	1488	1543	96	125	31	496	300	60.5	184	282	
1926	1675	1525	1533	92	115	31	462	265	57.4	184	265	
1927	1667	1539	1559	93	113	23	460	245	53.4	187	261	
1928	1681	1551	1561	125	134	23	517	295	57.0	216	313	
1929	1732	1605	1692	169	151	25	659	295	44.8	361	423	
1930	1725	1692	1773	124	136	27	763	225	29.5	444	370	
1931	1729	1702	1780	106	110	27	781	91	11.6	546	295	
1932	1733	1695	1774	106	83	35	853	92	10.8	693	260	
1933	1714	1682	1746	70	53	35	933	93	9.9	800	183	
1934	1707	1681	1734	78	60	35	1087	120	11.1	868	199	
1935	1706	1676	1716	77	62	34	1110	175	15.8	892	204	
1936	1709	1665	1716	77	66	34	1132	157	13.9	970	201	

APPENDIX A CON'D. (6)

Year	No. of acres assessed	Net taxable land assessment (000)	Total net taxable assessment (000)	General municipal tax levy (00)	Total			Amount realized (00)	Percent collected Dec. 31	Total uncollected arrears (00)	Total current levy (00)
					school tax levies (00)	Public revenue tax (00)	arrear and current taxes to be collected (00)				
1921	1412	\$3218	---	\$159	\$250	\$74	\$653	\$582	58.0	\$270	\$463
1922	1406	3363	3378	137	227	67	674	451	66.8	185	449
1923	1397	2975	2979	121	220	60	616	418	67.9	159	416
1924	1392	3009	3014	123	218	60	587	410	69.8	153	415
1925	1376	2991	3000	122	214	60	574	442	77.0	117	408
1926	1374	2990	3018	121	208	60	532	398	74.8	109	399
1927	1391	3002	3027	121	224	45	614	501	81.6	78	495
1928	1386	3002	3050	121	224	45	592	509	86.1	76	507
1929	1396	3018	3049	152	234	46	599	440	73.4	145	515
1930	1400	3022	3053	153	222	46	673	322	47.9	266	514
1931	1403	3019	3049	151	191	46	727	182	25.0	389	435
1932	1403	3012	3042	117	146	61	808	228	28.2	492	380
1933	1391	3002	3033	106	117	61	857	209	24.4	619	323
1934	1393	2999	3030	106	100	61	937	271	29.0	656	313
1935	1401	2993	3024	121	88	60	1015	228	22.4	775	324
1936	1396	2987	3018	101	85	60	1114	337	30.2	754	300
Wheatlands #163											
1921	1682	2607	---	272	203	63	980	356	38.0	625	538
1922	1724	2624	2624	184	166	52	1062	520	49.0	395	486
1923	1896	2641	2641	185	176	53	925	434	46.9	419	498
1924	1865	2490	2490	124	167	50	878	433	49.3	325	425
1925	1785	2423	2423	121	160	48	763	439	57.6	250	407
1926	1753	2297	2297	115	182	46	821	546	66.5	230	542
1927	1820	2309	2309	116	177	35	742	498	67.1	226	491
1928	1865	2330	2330	143	194	35	781	547	70.0	188	534
1929	1889	2515	2515	202	190	38	786	388	49.3	335	579
1930	1857	2464	2464	194	185	37	927	256	28.6	555	559
1931	1888	2462	2462	145	159	37	1017	100	9.8	908	410
1932	1884	2453	2453	125	118	49	1368	62	4.5	1277	363
1933	1857	2431	2431	97	99	49	1678	104	6.2	1558	297
1934	1850	2420	2420	97	70	48	1900	64	3.4	1816	262
1935	1850	2429	2429	97	88	49	2183	171	7.8	1940	271
1936	1827	2400	2400	96	85	48	2293	129	5.6	2134	255

APPENDIX B

ASSETS AND LIABILITIES TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN

Rural Municipality No.	42		72		73		100		101		102	
Year	1928	1936	1928	1936	1928	1936	1928	1936	1928	1936	1928	1936
	Assets											
Net cash and Bank Balance	\$6262	\$12971	\$10363	\$5998	\$21437	\$8360	\$11390	\$4377	\$3158	\$2192	\$5097	\$2328
Sundry Accounts Receivable	7543	1003	1171	1701	6862	1348	3599	1212	429	130	858	7919
Arrears of Taxes	33677	277657	20320	137960	26868	240826	33538	278405	22710	156451	24651	104554
Tax sale holdings												
(Certificates & property)		55849	727	30069	1295	82066	5368	33681	1254	24918	2585	49120
Supplies and deferred expenses	117	55				370	277	200		42		62
Trust cash and taxes to be collected in trust	2450	89581		57026		69982	9242	63658	1328	51651	1689	28794
Net value of capital or fixed assets	10829	9195	5294	6573	9363	5356	9709	6180	4895	4333	1818	1383
Total assets	60878	446311	37875	239327	65825	408308	73123	387693	33774	239717	36698	188160
	Liabilities											
Sundry accounts payable	2230	39861	1114	27548	258	19853	4586	34608	1427	11384	3078	16764
Due schools, etc., for requisition of taxes	2105	127090		57498	7070	185567	23408	110047	9032	77719	2517	66897
Net bank overdrafts and bank loans	23600	232576		87974		190266		196932	10788	116066		77475
Gross debenture debt	1500				3000		3000	2493	800			
Reserves for uncollectible accounts receivable, taxes and tax sale holdings												
Trust liabilities (offset by cash and taxes in trust)		30000	1287	11243	3107	20731	3368	45266	209	11194	3560	34189
Net surplus	2450	89581		57026		69982	9242	63638	1328	51650	1689	28794
Total liabilities and surplus	28993	-72797	35474	-1962	52390	-78091	29518	-65291	10190	-28296	25855	-35959
Total net debenture debt of municipality including rural telephone and Union Hospital debenture debt	60878	446311	37875	239327	65825	408308	73122	387693	33774	239717	36699	188160
All liabilities Total	51741	71649	56582	53327	66929	58914	25287	22387	43092	40590	24763	11223
	83626	590757	58983	294616	80364	545313	68891	475871	66676	308603	35607	235342

APPENDIX B CON'D. (2)

Rural Municipality No. Year	103		131		132		133		162		163	
	1928	1936	1928	1936	1928	1936	1928	1936	1928	1936	1928	1936
Net cash and Bank Balance	\$26043	\$16585	\$17376	\$6603	\$2198	\$4410	\$2594	\$1401	\$9587	\$8372	\$15754	\$ 883
Sundry Accounts Receivable	5760	715	3914	318	241	1175	2625	1028	4671	3084	6960	6606
Arrears of Taxes	29348	92491	25777	119002	16150	72561	21589	82113	7412	50131	17850	160742
Tax sale holdings												
(Certificates & property)												
Supplies and deferred expenses	---	49384	2093	13215	241	2450	659	26603	4348	22699	6944	19896
Trust cash and taxes to be collected in trust	---	30	---	151	---	---	---	---	---	---	---	---
Net value of capital or fixed assets	---	21161	---	64769	1357	7780	15	15117	225	25325	1001	52861
Total assets	17244	5610	14708	5509	1661	1367	2480	1613	5049	2553	6690	4036
	78395	185976	63868	209567	21848	89743	29962	126875	31292	112164	55199	245024
<u>Liabilities</u>												
Sundry accounts payable	---	7294	622	9851	154	9316	487	17440	1677	10753	1761	18084
Due schools, etc., for requisition of taxes	---	35749	---	32969	2704	16703	177	30593	208	34264	276	44888
Net bank overdrafts and bank loans	---	116217	---	125991	1500	33565	---	76104	---	28163	---	62599
Gross debenture debt	2250	---	1250	---	1200	---	---	---	---	---	4000	1410
Reserves for uncollectible accounts receivable, taxes and tax sale holdings	3575	51942	2766	12117	1624	16998	9484	20297	3885	13049	9502	14962
Trust liabilities (offset by cash and taxes in trust)	---	21161	---	64769	1357	7798	15	15117	225	25325	1001	52861
Net surplus	72571	46387	59230	36130	13308	45363	19799	32676	25298	4610	38659	450220
Total liabilities and surplus	78396	185976	63868	209567	21847	89743	29962	126875	31293	112164	55199	245024
Total net debenture debt of municipality including rural telephone and Union Hospital debenture debt	37333	10815	27372	17896	10536	5708	11244	9423	3017	1661	29197	15758
All liabilities Total	43158	243178	32010	263593	19075	90088	21407	168974	9012	113215	45737	210562

APPENDIX C

REVENUES AND EXPENDITURES TWELVE RURAL MUNICIPALITIES SOUTH CENTRAL SASKATCHEWAN

[illegible]

APPENDIX C CONT'D. (2)

Rural Municipality No. Year	103			131			132			133			162			163		
	1928	1936		1928	1936		1928	1936		1928	1936		1928	1936		1928	1936	
	Revenues																	
Revenue from taxation	\$27654	\$19993		\$24147	\$15481		\$7970	\$6281		\$12411	\$7727		\$12121	\$12107		\$11671	\$9600	
Penalties on tax arrears	2563	3968		2282	5800		1141	3285		1509	3462		692	2561		1968	7389	
Administraction revenue	396	647		854	3104		444	95		912	725		1502	908		2223	222	
Other revenue	---	---		---	---		1800	---		1097	---		1500	---		500	---	
Total revenue	30613	24608		27283	24385		11355	9661		15929	11914		15815	15576		16362	17211	
Debenture issues	---	---		---	---		---	---		---	---		---	---		---	---	
	Expenditures																	
Administration	4401	8150		3925	15264		2369	4441		2488	8895		2770	5856		3402	13200	
Protection of person and property	1659	81		483	24		86	104		438	2		293	234		707	---	
Maintenance public works	9202	3868		4662	5857		485	296		3718	1145		4319	2855		3971	631	
Health and sanitation	314	---		107	36		---	---		35	---		353	393		---	600	
Recreation and charities	3166	6886		2472	1048		100	192		376	675		995	867		478	1985	
Debenture charges	651	---		355	---		726	---		---	---		---	---		1368	25	
Capital expenditure chargeable to revenue	4085	---		15839	328		3145	25		4454	---		10832	---		10348	---	
Reserves	760	4950		1550	1500		530	3000		936	---		---	3450		---	---	
Total expenditure chargeable to revenue	24238	23935		29393	24057		7441	8057		12447	10717		19564	13655		20274	16441	
Capital expenditure from debentures	---	---		---	---		---	---		---	---		---	---		---	---	