

REMINISCENCES

OF A SERVICE OF TWENTY-THREE YEARS IN CONNECTION WITH CIVIC AFFAIRS OF

SAMUEL R. HARMAN, *Retired City Treasurer.*

ALDERMAN FOR ST. ANDREW'S WARD.

Mr. Harman entered the City Council as Alderman for St. Andrew's Ward in 1866, and served on several Commissions including that of Finance.

CHAIRMAN OF FINANCE.

In 1867 and 1868 he was Chairman of the Finance (since termed the Executive) Committee, and also of the Court of Revision, and in the latter capacity presided at the meetings of the Court, two days for each ward, with forenoon, afternoon and evening sessions, sometimes lasting until past midnight, for hearing the appeals in relation to the assessments then first made according to the revised statute in that behalf, on the actual instead of the assessed or rental value of property, a change which, as a new departure, required time and care to bring to its successful operation.

MAYOR OF TORONTO.

In 1862, a year rendered famous by the visit of H. R. H. Prince Arthur and His Excellency Sir John Young, Governor-General, afterwards Lord Ligon, and 1859, he was Mayor of Toronto, and during those years was occupied, apart from the regular duties of office, and principally at night at his law office of the firm of Ossevoort & Harman, with Mr. Frank Joseph as Secretary of the Revising Committee, in the work of conducting the revision and consolidation of the City By-Laws up to that time contained chiefly in manuscript volumes on file in the City Clerk's office. This was the first consolidation, and entailed a period of 35 years, commencing with the incorporation of the city in 1824. The work was one of considerable labour, especially in the matter of the consolidation of numerous by-laws relating to a special object, in some cases as many as fifty by-laws having to be then thrown into one. Another and not the least troublesome branch being that of by-laws relating to the Debtors' Debt, and the decision to be arrived at as to what by-laws, as relating to unincorporated Debtors, were to be considered to be in force, while all other general by-laws had to be classified as either being in force, effete, or repealed. The whole was accompanied by an explanatory preface, an exhaustive index, tables showing the succession of Mayors, members of the Council, and of all city officials, and of the years of service of the same, with diagrams of properties principally relating to city lands. This work, which has made subsequent revisions comparatively easy, Mr. Harman has always regarded as one in which he might feel a justifiable pride as a work of practical utility having relation to his years of mayoralty. And he was the recipient of many commendatory letters from Sir Adam Wilson, the late Chief Justice Harrison, and other leading members of the Judiciary and the Bar, as to the value of the compilation and the successful accomplishment.

ASSESSMENT COMMISSIONER.

In 1872 ex-AM. Turner brought in his propositions for the institution of a Department of Assessment, as explained in the following extract from a report of a Select Committee.

"In investigating the present mode of making the Assessment the Committee are convinced, that owing to the want of a definite understanding among the assessors themselves as to the principle on which the valuation of real estate should be made, and the hurried manner in which the work is at present performed, the assessment is neither equitably nor efficiently made, and they think it recommended the council to apply for such a change in the law as will enable the Council to appoint a permanent Board of Assessors, to be presided over by a Chairman thoroughly competent to superintend this important work." (See App. 1872, p. 591.)

And in the fall of the same year Mr. Harman was appointed Chairman of the Board of Assessors instituted in accordance with the above, under the following Report—

"The Council having adopted the recommendations of the Committee, with reference to the immediate valuation of the Real Estate of the City, with a view to a more equitable and permanent system of assessment, the duty now devolves upon the Committee of submitting to the Council, the names of a gentleman to fill the position of Chairman of the Board of Assessors, and who would ultimately become the head of the Assessment Department of the Corporation."

"The Committee in making their former recommendations to the Council, were quite aware that the success and efficiency of their proposal would depend in a great measure upon the proper organization of the Department, and the subsequent experience of its officers, and would therefore require peculiar qualifications in the gentlemen appointed in order to ensure its successful administration."

"After mature consideration, the Committee are of opinion that owing to Alderman Harman's long and intimate acquaintance with our Municipal Institutions, and more particularly those of the City of Toronto, and all that pertains to matters of assessment, combined with his professional knowledge, he would most efficiently discharge the duties of Chairman of the Board, and the Committee therefore recommended the Council to appoint Mr. Harman to the position at a salary of \$2,000 per annum, and in the event of his acceptance, to be authorized to proceed with the organization of the Department without further delay."

"The Committee would further recommend that eight valuers be appointed to proceed with the valuation of the real estate, and at such a rate of remuneration as may be decided upon by the Committee.—The appointment of valuers to be left to Mr. Wendell the Mayor, (the late Joseph Sherrill, Esq.) and the Chairman of the Board." (See App. 1872, p. 355.)

¹As president of the late Hon. John Edward Ossevoort, in the legal firm of "Ossevoort & Harman."
²This salary was not considered after the organization of the Department was completed.

The organization of this Department was at once a matter of labor and responsibility. The Assessment Commissioner and his staff, (for names of latter see App. 1874 p. 25, of whom Mr. Mingham, the present worthy Commissioner and Mr. Curtis and Mr. Mallon, are still in connection with the Department) worked in entire harmony, not only in regard to the outdoor work, but in preparing tables still in use, for measuring and valuing buildings, and in holding board meetings, generally at night, for reviewing the work, and equalizing the assessments with regard to its equitable application to the entire area of the City. The first session of the Board was made in 1875 showed an increase of fourteen millions. (See App. 1875 p. 243.) The rapid increase since, now reaching \$314,090,000 is a matter of public record.—(For the Statute Law legislating this system of assessment see Municipal Act, cap. 184, sec. 238, R. S. O. 1858, p. 1524.)

CITY TREASURER.

In 1874 Mr. Harrison, not without a feeling of some regret at leaving the Assessment Department which he had organized as above, and the work of which had come to be one of absorbing interest, on the retirement of the late A. T. McCord, Esq., City Treasurer, was appointed as his successor, and the following remarks briefly relate to the administration of that department.

1. On his appointment as Treasurer, he found a bank overdraft of over \$100,000, a sum of large magnitude as it related to the volume of city business then transacted, and he merely passing alludes to a most perplexing discussion which followed with the City Bankers as to meeting the City's further financial requirements until some course is—a state of affairs which required an equal effort and management to surmount, and into the details of which it is now unnecessary to enter.

2. This was eased, it is almost unnecessary to say, by the system then prevailing of the assessments, commenced in February according to the law as then existing, and being perfected before the month of August; the Estimates not being passed before September or later; and the taxes not being payable until November.

3. This necessarily required a large loan to cover interest to the banks for interim advances.

4. The Treasurer proposed as a remedy the system of making the assessment in the fall of the year preceding that in which it was to take effect. He himself drafted the amendments to the Acts of Parliament, which, becoming law, revalorized, it may be said, the dilatory system as long prevailing; and which, from having been first made applicable to cities only, was subsequently extended until it now almost universally governs the assessment system throughout the Province. (See Assessment Act, cap. 193, sec. 52, R. S. O. 1858, p. 2194.)

5. This new system was based on the further principle of endeavoring to make the collection of revenue "easy" with expenditure, hence an entire payment of taxes following an early assessment was not required, and this led to the Treasurer's further suggestion of a dividend system of payment of taxes, which has likewise become a law of general adaptation, has been attended with a result of tranquillized income, and has been unopposed by the universal approval of the taxpayers. The amendments to the Acts of Parliament to accomplish this end were likewise prepared personally by the Treasurer, as well as the By-laws and arithmetical details required to give effect to the same. (See Assessment Act, cap. 193, sec. 51, R. S. O. 1858, p. 2197.)

6. In the matter of an early collection of revenue, another proposition of the Treasurer was to apply to the Legislature for *permissive* power to strike, at an early period of the year, not as a rule, but as an exception, should unavoidable circumstances require delay in introducing the estimates, an "interim rate of taxation" to be limited to say four mills on the dollar and collected not later than the month of April, and subsequently repaid after the passing of the estimates as the first instalment of dividend taxation for the year, but while the proposition was twice reported on favorably by the Executive Committee (see Report No. 30 App., page 1020, 1858, and Report No. 37 App., page 1147, 1887, in which Reports the scheme is fully explained), it was not subsequently included in the terms recommended by the Committee on Legislation, and is therefore included in these Recollections as a proposition only.

7. The working out the details of the plan of reconstruction of the City debt, in 1876 again* entered by ex-Alderman Thomas, which formed the subject of able, matured and exhaustive debate in the Council, under his leadership as Chairman of the Executive Committee, with the subsequent preparation and negotiation of the immediate and subsequent large issues of new Consolidated Loan Debentures, devolved upon the Treasurer, and were successfully carried out while the rate at which our debentures now rule, as compared with that prevailing when he assumed office, cannot be but a matter of congratulation, as regards the high credit of the City based on the increased and increasing value of property owned by the City, independently of the large assessment of property for purposes of taxation alluded to in a previous paragraph. For the details alluded to above of the consolidation of the debt, see Reports 34 and 32 of the Executive Committee, App. pp. 742 and 834 of 1878, and the Consolidation Act of 1879, 42 Vic., c. 24.

8. The annual volume of business transacted in the Departments since 1874, including the Water Works accounts, brought in in 1877, and transactions incident to the annexation of new territory, shows an increase of several hundred per cent.; while the General and Local Improvement Debenture debt, standing on the 1st January, 1874, at \$2,797,717, has expanded to the figure of \$8,333,527 for the General Debt and \$1,561,347 for the Local Improvement Debt on the 31st December, 1887, with prospective issues of \$1,000,000 for General, and \$750,000 or more for Local Improvement Expenditure.

9. In the matter of the Local Improvement Debt and its rapid expansion as above, it became a matter of financial requirement that a new departure should be made as in the mode of issuing Local Improvement Debentures, the prevailing system being that for the cost of each Local Improvement grant or small, an individual issue of Debentures should be made, thus, referring at a glance to the items of this expenditure for 1877, will be found the sums \$230,07, \$3,225.01, \$620.58, \$460.02, \$601.35, and so on, an extending over hundreds of items, requiring separate issues of debentures in each case. To remedy this the treasurer drafted and the legislature passed the following amendments to the Municipal Act. (See cap. 184, sec. 409, R. S. O. 1858, p. 1581.)

* Ex-Alderman Thomas entered the plan of the previous consolidation in 1875.

Provided always that (in order to obviate a difficulty which has been found to prevail in negotiating such local improvement debentures, in consequence of many of the same having to be issued for small and broken amounts) Council may from time to time, after the passage of the several by-laws covering the several amounts required for particular local improvements as therein specified, and without in any way affecting the lien on the lands therein named and to be improved thereby, further pass a collective or consolidative by-law consolidating such several amounts, and issue the required debentures in a general conscriptive form under such consolidative by-law, apportioning nevertheless the amount raised thereby, and applying such service with the amount previously estimated and named for the same under the individual by-law passed in the first instance.

And for the purpose of more readily carrying this proviso into effect, councils desiring to avoid themselves of the same shall insert a clause in such individual by-laws, intimating that the amount of debentures to be issued thereunder is subject to consolidation, and in such case it shall be sufficient to state in such individual by-laws that the said amount of debentures to be issued thereunder shall be issued at or many years from the date of issue of the same, without defining a specific date.

And with a further view to improve the sale of these securities, power was obtained that Cities might guarantee the same as follows (see cap. 184, sec. 341; sub. sec. 2, R. S. O. 1888, p. 1867):—the clause being drawn up as before by the Treasurer.

(2) In the matter of by-laws passed, or to be passed, for debts payable by local assessment in order to facilitate the negotiation of debentures issued thereunder, and add to their commercial value, the council of any township, city, town or incorporated village, may declare that the debt to be created on the security of the special rate settled by the by-law is further guaranteed by the municipality at large, anything contained in sub-section (1) of this section to the contrary notwithstanding. (This sub-section (4) declared that the debt was created on the security only of the Local Improvement rate.)

Large issues of Local Improvement Debentures have been made in accordance with these amendments, the details of which have been worked out with entire success.

10. Before leaving the subject of the City Debt, reference may be made to the Act 46 Vic., cap. 44, passed in 1883, entitled "An Act to empower the City of Toronto to institute an issue of Corporation Stock." This proposition emanated from the Treasurer, and its object is explained in the following extract from the preamble to the Act:

"That it will be to the advantage as well of the said City as of parties with whom the said City may hereafter have dealings in the way of raising money on loan for civic purposes, if an alternative power be conferred on the said City, in addition to the power now existing as to the issue of Debentures, to institute the issue of a Corporation Stock to be styled 'The Registered Stock of the City of Toronto'; that such power will remove difficulties on the part of parties holding debentures, and especially of parties holding the same as permanent investments, as to the safe custody of the same; and that it will simplify the dealings of said parties with the City in the matter of receiving periodically interest on loans, and generally facilitate the negotiation of Corporation Loans."

This power which as stated above is an alternative one, was very readily granted by the Legislature, the Act going into full details of the proposition which are set out in the third section as follows:

"The stock shall in all intents and purposes be regarded as a negotiable or transferable security in the same manner as debentures are transferable, save that the transfer shall not be by delivery but by re-registration in the stock books of the Corporation."

An occasion has not up to this time presented itself for this permissive legislation being brought into operation, but it is considered to be one which may command itself in due time, and it may be added that it has been tried and with some success in Montreal.

11. Among the numerous letters on subjects of Municipal Reform, addressed by the Treasurer to the Council during his long incumbency, and which are on record in the appendix to the printed minutes, he inserts in these reminiscences a special reference to the following: Letter, Oct. 11th, 1875, App. p. 351; Letter, Oct. 18th, 1877, App. p. 381; Letters, Feb. 16th and April 11th, 1881, App. pp. 67 and 193.

12. The remodeling of the system of the issue of licenses, and the adoption of the present tripartite system, with a complete change of forms and registration, was committed to the Treasurer, and his recommendations adopted on the appointment of the present Inspector.

13. The collection of Taxes, while rendered by the divisional system more complex in one sense, has nevertheless, by careful supervision, been attended with marked success, the item of arrears, including registered taxes, subsequently recoverable by legal process being under one per cent., a result, considering the magnitude of the collections, which the Treasurer believes will bear favorable comparison with that of any municipality in this or the other Provinces of the Dominion.

14. An arduous effort has been made by analysis and otherwise to present the estimates and other returns in a form which, while containing an amount of detail far exceeding that formerly furnished, enables the same to be received and dealt with with far greater facility, the object aimed at being to give the Council all possible insight into every detail of the Department.

15. A thorough system of check in the conduct of every detail connected with the Civic accounts, every voucher being initiated by the Treasurer, connecting it with the book cheque by which it is paid, thus amounting to a complete and personal "proforma," has been gradually developed, which enables the Department to be worked on principles of regularity, security, and efficiency satisfactory to all concerned in the same. And it is a matter of satisfactory record that during the entire term of the Treasurer's incumbency, no single item of inaccuracy has been ever reported by the City Auditors, as resulting from their monthly examination into every detail of account.

TRIBUTE OF RESPECT TO HIS OFFICIAL STAFF.

16. The Treasurer on his retirement from impaired health, is to be congratulated in Council this day, after the long service set out above, shows those reminiscences by a willing tribute of acknowledgment of the indefatigable efforts of his able Assistant-Treasurer, Mr. Condy, who to his great satisfaction succeeds him as Treasurer, of his Clerk, Mr. Patterson, now Assistant-Treasurer and the entire staff of his office, to co-operate by every means in their power in bringing about the above results.

SAMUEL E. HAHMAN,

City Treasurer.

Treasurer's Office,

5th November, 1888.

REMINISCENCES

OF A SEQUENCE OF TWENTY-THREE YEARS
OF CONNECTION WITH CIVIC AFFAIRS.

1866 TO 1888.

SAMUEL B. HARMAN.

Albany City Foreman.