

the matter of taxation, or contribution in lieu of taxation, has awaited, therefore, the adjustment of the accounts now happily concluded.

The City's claim in respect of taxation on the basis of its valuation reaches the large sum of \$195,000, while it will be noted from the accounts that the interest accruing to the Commission considerably exceeds that sum. The Commission has determined to make a contribution of \$87,305.79 in full settlement and in lieu of all claims in respect of taxes - including the year 1926-27 on the terms hereinafter set forth. There is not included in this sum any amount for pipe rates or water rates. These latter accounts the Commission or its tenants have paid and will continue to pay. This proffered contribution in lieu of claims for taxation, however, is to be made only on the following understandings:

(a) That the Commission's properties be assessed for a period of five years upon a valuation not exceeding the sum of \$500,000, subject to a deduction from this amount from year to year of the one half of the purchase money received by the Commission for any property disposed of during the preceding year. It is obvious that the Commission lands which were largely taken in connection with the relief settlements with individual owners or for new streets and which have not been built upon or otherwise utilized should continue to have the benefit of the statutory exemption. On the other hand, the proposed fixed assessment is a fair valuation for assessment purposes when it is taken into consideration that the Commission houses represent an investment of a considerable portion of its pension fund, and in view of the further fact that it is expected that because of the outlying situation there will continue to be more than the average number of vacancies. It must not be forgotten that the Commission houses were built without any real claim for that purpose upon the funds of the Commission, but at a time when it was most essential in the interests of the City as a whole that its housing accommodation should be increased, and as rapidly as possible. No private investor under the then existing conditions would have attempted to construct houses for investment purposes, and very few persons would build even for their own personal use. An exemption from taxation in the circumstances was considered amply to justify the legislation. At the expiration of the five years period suggested the exemption would then automatically revive, pending reconsideration of the situation as at that date.

It is worthy of observation at this point that the value of the property for assessment purposes within the limits of the devastated area is very largely in excess of that of the period before the explosion; so much so, that in process of time the increased revenue receivable in taxation will largely if not entirely meet the whole obligation of the City to the Commission.

(b) The Commission also feels that a further condition must be imposed, that the Richmond Heights district is hereafter to receive at the hands of the City the same degree of attention to its streets, and general civic requirements as is accorded to other sections. Heretofore the residents of the locality have been permitted by the civic authorities to acquire the belief that there was some sort of obligation on the part of the Commission itself to perform these civic services. There never was at any time any such obligation.

(c) The Commission also stipulates that there shall be no

further claims of any kind whatever hereafter presented by the City to the Commission. We think the time has arrived when all outstanding matters must be finalized.

11. OPEN SPACES - RICHMOND HEIGHTS.

In accordance with an understanding at the inception of our undertaking, the Commission will dedicate to the City, according to the boundaries fixed by it, Fort Needham Park, undoubtedly a valuable acquisition to the open spaces in that part of the City; and the City on its part is to convey to the Commission on the lands known as Mulgrave Park and a lot nearby known as Market Square.

The Commission will also convey to the City, if the authorities so desire, to be held for the public, the various smaller open spaces shown on its plan of the Richmond Heights District, as well as the new streets and boulevard already vested in the City by statute. Substantial advantages accrue to the City by reason of these arrangements.

12. COMMISSION WILL ACCEPT 5% DEBENTURES IN SETTLEMENT:

In discharge pro tanto of the liabilities of the City hereby determined the Commission is prepared to accept certificates of shares or debentures in the Halifax City Consolidated Fund 1905, bearing interest at 5% half yearly as of December 1st, 1926, and extending over such period as the City may desire. The issue of these certificates or debentures up to \$600,000 is now authorized by Chapter 63 of the Acts of 1918, and Chapters 81 and 82 of the Acts of 1919. The legality of the issue, however, must be subject to opinion of Council.

As to the balance of the liability the City will have to undertake the required financing.

Delivery of the certificates or debentures may be made on or before January 15th, 1927.

Such legislation as may be necessary or advisable in order to give effect to the arrangements is to be promoted at the ensuing session of the Legislature, and thereafter upon due completion of the financing the Commission will deliver up the certificate of shares in the Consolidated Fund now held as collateral.

13. CONCLUSION:

The settlement of the amount of the civic reparations claim and the accounting on both sides are now to be regarded as finalized and there is no further appeal. The Commissioners anticipate that their conclusions will be received with that measure of respect accorded to the conclusions of other judicial tribunals. They desire to assure the City Council and the citizens in general that consistently with the proper discharge of their important duties they have in this matter as well as in all others in which the City has been concerned done everything in their power to assist the civic authorities and often under great difficulties. If at times there has been an apparent lack of sympathetic co-operation the blame does not lie at the door of this Commission.

They have been the trustees of very large sums of money contributed principally by the Canadian Government and it is to

that Government we have been giving and will continue to give due account of our Stewardship.

(Sgd) T. S. Rogers, J.S.C.
Chairman.

(Sgd) W. B. Wallace, C.C.J.
Commissioner.

DATED DEC. 30th, 1926.

CITY OF HALIFAX AND HALIFAX RELIEF COMMISSION
FINAL DECISION OF THE COMMISSIONERS, ADJUSTING
OUTSTANDING CLAIMS AND COUNTER CLAIMS.

The Halifax Relief Commission, after many hearings and due consideration of outstanding claims of the Commission on the one side, and the City on the other, hereby determine that there is due and payable to the Commission as of December 1st, 1926, the sum of \$687,305.79.

(Sgd) T. S. Rogers, J.S.C.
Chairman

(Sgd) W. B. Wallace, C.C.J.
Commissioner.

DATED AT HALIFAX
DECEMBER 30th, 1926.

N.B. This decision is accompanied by

1. Statement of the accounts upon which the decision is based.
2. A memorandum explanatory of the various items.

From paragraph ten of this memorandum it will be noted that upon the terms therein set forth the amount of the ascertained indebtedness may be reduced to the sum of \$600,000 by the credit of a substantial voluntary contribution in lieu of taxes claimed by the City, the Commission's property being exempt from taxation by statute.

THE HALIFAX RELIEF COMMISSION

CASH ADVANCED TO THE CITY OF HALIFAX:

On loan account	\$532,300.00	
Interest adjusted to Dec. 1, 1920, as per Schedule "A"	70,737.30	
	<hr/>	
	\$603,037.30	
On destroyed schools account	<hr/>	
	154,870.00	\$757,907.30

Cash advanced to the City of Halifax brought fwd. \$757,907.30

CITY OF HALIFAX CLAIM:

School repairs as per Schedule "B"	\$348,375.25	
City building as per Schedule "C"	125,923.75	
Sundry losses as per Schedule "D"	<u>36,471.53</u>	\$510,770.53
One third off the above		<u>170,256.84</u>
		\$340,513.69
Schools totally destroyed as per Schedule "E"		<u>154,870.00</u>
GROSS RELIEF ALLOWANCE:		\$495,383.69
From which is to be deducted City's usual share of water, sewer, sidewalks, etc. as per Schedule "F"		<u>\$252,105.11</u>
		\$243,278.58

And also the following special
expenditures by the Commission
on City Account -

Market building	11,617.74	
Rockhead Smallpox Hospital	6,564.28	
Morris St. Infectious Diseases Hospital (less Commission Grant of \$10,000)	14,483.88	
City Work certified by City Engineer	<u>4,028.50</u>	<u>36,694.40</u>
		\$206,584.18

AMOUNT DUE THE HALIFAX RELIEF COMMISSION
AS AT DECEMBER 1st, 1920 ON CITY REPARATION
ACCOUNT

\$551,323.12

Interest on the above December 1st, 1920, to
Dec. 1st, 1926

\$132,317.54

\$683,640.66

Sundry accounts as per Schedule "G"

3,665.13

TOTAL AMOUNT DUE THE HALIFAX RELIEF COMMISSION
AS AT DECEMBER 1-26

\$687,305.79

(Sgd) T. S. Rogers
Chairman

(Sgd) W. B. Wallace
Commissioner.

SCHEDULE "A"

STATEMENT OF ADVANCES ON CITY ACCOUNT WITH INTEREST
AT 6% PER ANNUM TO DECEMBER 1st, 1920.

DATE	AMOUNT	INTEREST RATE	AMOUNT OF INTEREST
Jan. 24, 1918	\$ 25,000.00	5% to May 1st 6% after that date	\$ 328.77 3,879.45
Apr. 24, 1918	5,000.00	6%	780.82
May 2, 1918	10,000.00	6%	1,548.49
May 6, 1918	5,000.00	6%	770.96
May 16, 1918	10,000.00	6%	1,525.48
May 29, 1918	15,000.00	6%	2,256.16
July 12, 1918	15,000.00	6%	2,147.67
Aug. 3, 1918	50,000.00	6%	6,978.08
Aug. 21, 1918	5,000.00	6%	683.01
Sept. 11, 1918	45,000.00	6%	5,991.78
Oct. 11, 1918	35,000.00	6%	4,487.67
Oct. 11, 1918	64,000.00	6%	8,206.03
Nov. 28, 1918	50,000.00	6%	6,016.44
Dec. 12, 1918	100,000.00	6%	11,802.74
Jan. 31, 1919	33,300.00	6%	3,656.61
May 13, 1919	40,000.00	6%	3,721.64
July 7, 1919	25,000.00	6%	2,100.00
	<u>\$532,300.00</u>		<u>\$66,881.80</u>
Dec. 12, 1918	14,483.88	6%	
Dec. 12, 1918	11,617.74	6%	
Dec. 12, 1918	6,564.28		3,855.50
	<u>\$564,965.90</u>		<u>\$70,737.30</u>

SCHEDULE "B"

PUBLIC SCHOOL BUILDINGS

Appraised explosion damage to schools \$348,375.25

SCHEDULE "C"

CITY BUILDING ACCOUNT

	<u>Appraised damage.</u>
City Hall	\$ 16,553.71
City Hall Clock not repaired	
City Home	11,000.00
City Prison	21,827.82
City Workshops	5,788.71
Town Clock	1,960.00
Hazelwood - Isolation Hospital, City Home Grounds	1,552.29
Incinerator	5,379.67
Infectious Diseases Hospital, Rockhead R. Ward Cont.	9,525.00
Market Building	20,015.64
Public Gardens	4,000.00
Reservoir	976.55
Market St. Tenement	700.00
Engine Houses:	
Bedford Row	2,500.00
Brunswick St.	2,000.00
Grafton St.	714.38
Morris St.	1,600.00
Quinpool Road	1,705.33
Spring Garden Road	277.89
West Street	4,078.73
Isleville St.	2,500.00
Outhit Building	2,100.00
Tenement - Longard Road, Reservoir Bldgs	5,500.00
Chain Lake	298.58
Memorial Tower	369.45
City Hall Clock not replaced	3,000.00
TOTAL	<u>\$125,923.75</u>

SCHEDULE "D"

CITY OF HALIFAX SUNDRY LOSSES.

Fire Alarm System	\$ 3,430.00
Fire Hose	1,750.00
Fire Chief's Car	1,450.00
Seagrave Waggon and Equipment	1,559.00
Repairs to Patricia	6,000.00
Explosion damage to water service	7,805.00
Water meters destroyed	6,734.00
Incinerator instruments	782.00
Garden plants	233.25
Waggon Shed	250.00
Motor cars as appraised	1,200.00
Rental of Fire Engine whilst Patricia under repair	714.00
Rockhead small pox hospital	4,564.28
TOTAL	<u>\$ 36,471.53</u>

SCHEDULE "E"

TOTALLY DESTROYED SCHOOLS

Appraised replacement value of totally destroyed schools:

Bloomfield	\$ 39,000.00
St. Joseph's	54,200.00
Richmond	<u>61,670.00</u>
Total	<u>\$154,870.00</u>

SCHEDULE "F"

SUMMARY OF WORK DONE BY THE COMMISSION,
WATER, SEWERS, SIDEWALKS, ETC.

	<u>Commission Claim.</u>	<u>City Estimates</u>
Class B work, City's usual share	\$162,339.25	\$126,101.67
Class D work, City's usual share	150,340.08	126,003.44
	<u>\$312,679.33</u>	<u>\$252,105.11</u>

On consideration the City's share of the above costs is fixed at \$252,105.11

Cost of Gottingen Street Cut and Union Street Grading is abandoned on City abandoning their claim for cost of water and sewer pipes and house water connections - \$12,660.00

Cost Gottingen St. Cut and Union St. Grading	\$37,233.17	\$30,316.44
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SCHEDULE "F"

CLASS "B" WORK

WORK DONE BY RELIEF COMMISSION AND COST TO BE BORNE
WHOLLY BY CITY.

		<u>COMMISSION CLAIM</u>	<u>CITY ESTIMATES</u>
Item 1	Catch Basin construction	\$ 1,419.50	\$ 1,299.00
2	Catch Basin construction	18,458.05	13,917.75
3	Curb inlets	2,195.60	2,195.60
4	Repairs to Gottingen St.	3,000.00	3,000.00
5	Water pipes	3,339.00	3,339.00
6	Macadam Pavement	95,359.60	68,114.00
7	Connecting water pipes	516.10	516.10
8	Extending catch basins	56.35	56.35
9	Work on hydrants and catch- basins	133.75	133.75
10	Water mains, Hydrostone	22,744.25	19,638.50
11	Water main, Gottingen St.	9,627.32	9,627.32
		<u>\$156,849.52</u>	<u>\$121,837.37</u>
	Engineering	<u>5,489.73</u>	<u>4,264.30</u>
		<u>\$162,339.25</u>	<u>\$126,101.67</u>

CLASS "D" WORK

WORK DONE BY RELIEF COMMISSION - CITY CREDITED WITH REGULAR
ASSESSMENT - BALANCE CHARGED TO CITY.

TEM	COST	<u>COMMISSION STATEMENT</u>		VALUE	<u>CITY CLAIM</u>	
		<u>ASSESSMENT</u>	<u>CHARGED TO CITY</u>		<u>ASSESSMENT</u>	<u>CITY SHARE</u>
. Water and sewer, Diagonal streets and Albert St.	30,056.91	7,346.00	22,710.91	23,405.00	7,346.00	16,059.00
. Water & sewer Hydrostone area	34,540.65	10,080.00	24,460.65	30,760.00	10,080.00	20,680.00
. Water & sewer Hennessey Field etc.	18,947.80	3,185.00	15,762.80	18,947.80	3,185.00	15,762.80
. Curbs & gutters	44,641.00	22,320.50	22,320.50	40,063.25	20,031.62	20,031.63
. Concrete pavement	88,058.21	44,029.11	44,029.11	74,164.00	37,082.00	37,082.00
. Concrete sidewalks	26,642.50	13,321.25	13,321.25	19,145.50	9,572.75	9,572.75
. Tarvia, Diagonal Sts. & Gottingen St.	5,108.55	2,554.28	2,554.28	5,108.55	2,554.28	2,554.28
Total	247,995.62	102,836.14	145,159.50	221,594.10	89,851.65	121,742.46
ngineering 3½%			<u>5,180.58</u>			<u>4,260.98</u>
			150,340.08			126,003.44

SCHEDULE "G"

ACCOUNTS CHARGED TO THE CITY OF HALIFAX.

Cots, sold, Invoice 612, No. 24-18	\$244.00
Cost of Slaney Lot 138-140 Young St.	
Reserved for Isleville St. extension	400.00
Maritime Construction Co. Ltd. in liquidation	
Claims	\$1,120.00
less credits	91.23
Insurance Infectious Disease Hospital	1,028.77
Balance of Plumbing Inspector's salary	237.12
Rental of Willow Park Camps	467.74
	1,400.00
	<hr/>
	\$3,777.63
Less Credit for Tools, Mortuary Committee March 23rd, 1918	
	<hr/>
	112.50
	<hr/>
	\$3,665.13
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The following Resolution is submitted:

"The report of the Finance Committee on the award of the Halifax Relief Commission having been read IT IS RESOLVED that in view of the loss suffered by the City, being the result of a National War Disaster, a delegation be sent by the City to wait on the Dominion Government at Ottawa, and present a memorial for relief, and that in the meantime the Halifax Relief Commission be requested to defer action on the said award.

FURTHER RESOLVED that the City Council desires to assure the Halifax Relief Commission of its anxiety to dispose of the matter at the earliest possible date."

Moved by Alderman McCarthy, seconded by Alderman Shannon and passed unanimously.

Moved by Alderman O'Toole, seconded by Alderman McCarthy that the delegation to wait upon the Government at Ottawa in connection with the Relief Commission adjustment be composed of His Worship the Mayor, Ex-Mayor John Murphy and City Engineer. Motion passed, Alderman Hubley dissenting.

A true extract,

(Sgd) W. P. Publicover

W. P. Publicover
CITY CLERK.

EXTRACT FROM MINUTES OF THE CITY COUNCIL

DATED JANUARY 13th, 1927.

HALIFAX RELIEF COMMISSION CLAIM:

Read report of the Finance Committee on adjustment of the claim of the Halifax Relief Commission against the City of Halifax, and counter claim of the City against the Commission:

Committee Room,
City Hall,
Jan. 12, 1927.

His Worship the Mayor
and City Council.

Gentlemen:

Your Committee on Finance to whom was referred the Claim of the Halifax Relief Commission beg to report as follows:

At a meeting of the City Council held on the 25th November last, His Worship the Mayor informed the Council that Mr. Justice Rogers, Chairman of the Halifax Relief Commission, had asked for a settlement of the Claim of the Halifax Relief Commission against the City, and as the City had a counter claim against the Commission the matter was referred to this Committee with power to adjust accounts, and prepare a scheme of settlement, same to be subject to ratification by the Council.

Your Committee together with His Worship the Mayor, City Solicitor, City Engineer, City Auditor and City Treasurer, have had several conferences with the Relief Commission, and have spent much time and energy going over the various items in the accounts.

A hearing on the subject of the adjustment was given by the Commission at the County Court House on the 14th day of December 1926 at which the members were given an opportunity of expressing their views on the adjustment as proposed by the Commission.

At a meeting of the Committee held on January 3rd, the Chairman submitted and read a report covering the adjustment of the Commission on all outstanding accounts between the City of Halifax and the Relief Commission, a copy of which is hereto attached.

Your Committee recommend that the adjustment as submitted by the Relief Commission be approved and the award accepted subject to an adjustment in the allowance for taxes as suggested by the City Auditor.

Your Committee further recommend that the City Solicitor be instructed to draft the necessary legislation to carry into effect the proposed settlement.

Alderman Power dissenting on account of the magnitude of the interests involved, being of the opinion that the Council should consider and deal with the subject.

Respectfully submitted,

(Sgd) John J. Power
CHAIRMAN

IN RE ADJUSTMENT OF OUTSTANDING MATTERS
BETWEEN THE CITY OF HALIFAX AND THE HALIFAX
RELIEF COMMISSION.

EXPLANATORY NOTES AS TO THE FINDINGS OF THE COMMISSIONERS.

1. CASH ADVANCES TO THE CITY \$757,907.30.

Beginning on January 14th, 1918, and continuing up to July 7th, 1919, the Commission at the urgent request of the City authorities made some seventeen loans to the City, these varying in amount from \$5,000 to \$100,000 and aggregating \$532,300.00.

The Commission at that time had no funds which could then be applicable even in part to meet the City's reparation claims. The Commission in addition to cash loans advanced direct to the School Board a further sum of \$154,870.00, that being the then value of the three destroyed schools, as appraised by Mr. J. C. Harris.

In addition to these advances there were special expenditures made by the Commission on the City's account, at its request aggregating \$32,660.90, thus increasing the indebtedness of the City to the Commission to the sum of \$564,965.90 (including the payments on destroyed schools account).

For these advances the Commission accepted from time to time certificates of shares in the Consolidated Fund 1905, upon the undertaking that the necessary borrowing powers from the Legislature would be obtained. In due course the necessary Acts were passed (See Chapter 63 of the Acts of 1918, and Chapters 81 and 82 of the Acts of 1919.)

On the above named sum of \$564,965.90 the interest accrued up to December 1st, 1920, that being the earliest practicable date an adjustment could have been made between the City and the Commission, amounted to the sum of \$70,737.30. The sum of \$154,870.00 advanced against the destroyed schools is added to the other items to show the total advances as of the date mentioned, namely \$757,907.30. No interest, however, has been charged against the destroyed schools account and by a cross entry the full amount of that item is allowed on the City reparation account.

2. THE CLAIMS OF THE CITY:

The City claims have been adjusted after many conferences between the undersigned on the one hand, and the members of the City Finance Committee, City Engineer and Auditor on the other side, at \$510,770.53, or including the allowance with respect to destroyed schools, at \$665,640.53.

Our findings with respect to the repairs to the injured schools and the City buildings are, after a careful examination of the City's expenditures, based in large part on the report of Mr. J. C. Harris, who was employed by us some years ago to inspect the reparation work and report to us. Mr. Harris is a well and favourably known contractor of large experience and a former alderman and School Commissioner.

The item of sundry losses \$36,471.53 is made up of various claims which were presented along with many untenable and subsequently disallowed CLAIMS to the Commission at a very late date. We had required the City to present all its claims to us in or before the month of October 1918, so that we could make our final appeal to the Federal Government for further contributions before claims of the larger business concerns and civic and municipal losses could even be considered; but these belated claims were not presented to us until April 20th, 1925.

As the public has always well understood, the amount of three million dollars finally granted to the Commission was not sufficient to cover the losses in full, and it was always recognized that the claim of the City for reparations should remain in abeyance until all others were adjusted. It soon became clear to us that no more than two-thirds of the appraised loss could be allowed to the City by way of reparations. This explains the deduction from the allowed claims (other than that in respect to the destroyed schools) of \$170,256.84 which appears in the account.

It is also to be noted that the Commission did not have in its hands any moneys out of which it could respond to City claims until the last instalment of \$500,000 of the final three million dollars contribution was received in 1920.

3. GROSS RELIEF ALLOWANCE:

Our determination therefore to grant a gross relief allowance of \$495,383.69 with respect to proven direct losses, subject to the deduction of appropriate charges against the City for ordinary municipal works, and other contra accounts, is regarded by the Commission as being a liberal contribution and the extreme amount which we feel justified in fixing under all the relevant circumstances.

4. DEDUCTION FOR WATERWORKS, SEWERS, SIDEWALKS, ETC.

The Commission has decided after the most careful consideration that for the civic works executed and paid for out of the funds provided for the erection of houses in the devastated area, the sum of \$252,105.11 must be set off against the gross relief allowance. This is the minimum sum at which we feel justified in fixing the City's usual share of water extension, sidewalk and paving construction. The sum is considerably less than the actual expenditure and Mr. H. B. Pickings, C.E., who represented the Commission in this undertaking, reported to us that the sum of \$349,912.50 should reasonably and properly be charged in respect to this work, as being the City's usual share of such services. Notwithstanding the contention of City Engineer Johnston, that the amount suggested by Engineer Pickings is excessive, we feel we would be fully warranted in reducing the relief allowance by the sum Mr. Pickings had recommended. In view, however, of the considerations urged before us, and taking into account a number of cross credits of doubtful merit claimed by the City in its statement presented to us, the lesser sum suggested by the figures of the City Engineer has been finally adopted.

The suggestion put forward on behalf of the City that these expenditures were made in carrying out a town planning scheme, and that the whole expense should therefore be borne by the Com-

mission is supported neither by the facts nor the justice of the case. The Commission executed its works under its statutory authority, quite apart from its powers as to town planning. The town planning provisions of the statute were never acted upon by us, but even had they been, the Commission has met without any expense to the City all the new planning. This is a matter quite separate and apart from the laying of water mains and sewers, and the construction of sidewalks and pavements which were, indeed, necessary, and the payment of a large portion of which has been borne by the Commission as owner, as in the case of an individual citizen.

Moreover, the Commission has also met, without any charge to the City, the expenses of rough grading the streets, the cuttings (especially in connection with Fort Needham) and the large fills required in order to carry out the general improvement.

It is scarcely arguable that the Commission should exercise its discretion and pay to the City relief allowances and not take into account the cost of these works which are of such material importance to the northern part of the City.

5. FURTHER CREDITS TO WHICH COMMISSION IS ENTITLED:

The Commission made a number of special expenditures on the City Account and at its request, aggregating \$36,694.40, and other small items amounting to \$3,665.13.

There can be no substantial difference of view between the City and ourselves as to the propriety of these cross charges.

6. NET BALANCE PAYABLE BY THE CITY:

These allowances and various deductions, with the addition of interest from December 1st, 1920, to December 1st, 1926, fix the total indebtedness of the City to the Commission at \$687,305.79. This sum, however, as we intimate in a later paragraph may be reduced to \$600,000 by a voluntary contribution to the civic taxation on the terms indicated in that paragraph.

7. CITY SECURITIES HELD BY THE COMMISSION:

In 1919 the various borrowings of the City from the Commission represented by certificates of shares in the Consolidated Fund, were at the City's request, consolidated into one certificate for \$565,000.00 payable January 1st, 1921. The Commission stated it would not then ask for payment of the accrued interest pending final adjustment. In 1920 a request for another year's respite was made and a renewal certificate was furnished redeemable on the 1st January, 1922. Since the maturity of this share certificate, earnest but unsuccessful efforts have been made to get the authorities to come to an adjustment. The Commission declined to renew the certificate, and although we repeatedly urged that the sum of at least \$25,000 representing the probable interest payable on the adjusted debt should be assessed each year, no amount for this purpose was so included in the estimates or assessed.

8. REJECTED CLAIMS:

Those in authority would appear to us to have been relying on wholly untenable claims in an attempt to set off the City's liability under its borrowings. On the 20th day of April, 1925, there was presented to us, in response to the Commission's repeated efforts to obtain an adjustment of all outstanding claims a list of claims aggregating over \$1,000,000, but at too late a date to enable the work of adjustment to be overtaken before expiry of the term of the then Mayor of the City. As soon as it was convenient, we urged on the present Mayor and Council the advisability of having the whole problem discussed and finalized, not only on our own account, a considerable portion of our Pension Fund having been unsatisfactorily tied up, but also in the City's own interests, it should be clear that the City could not justify longer delay in having the amount of its liability fixed, and due steps taken to meet it.

Considerable time has been spent with the Mayor and the Auditor in clearing away misunderstandings which might prevent a speedy adjustment. On the first days of December instant the Commission met at the City Hall with the Mayor, the members of the Finance Committee, and civic officials, and the general situation was discussed. The Commission has held a number of conferences with the representatives of the Finance Committee and Engineer and Auditor; and also held one meeting at the Mayor's instance to which all Aldermen were invited, and most of them attended and the various accounts and claims have been thoroughly enquired into from the point of view of the City as well as that of the Commission.

9. INDIRECT LOSSES EXCLUDED.

It has been a matter of common knowledge that the orders in Council under which our funds were distributable provided that direct material losses caused by the explosion were alone to be considered, and that all indirect or consequential damages must be excluded. It was therefore with some surprise that we found that the City was scheduling against us claims that were for this reason quite beyond the scope of our authority, and claims which have been repeatedly disallowed in connection with the settlement of claims of individual citizens. The Commission made it clear on every occasion upon which they met the Committee that claims on the part of the City of this nature amounting to over \$500,000 could not be considered at all. In our opinion the allowance of these claims, in whole or in part, would be wholly unjustifiable, and we must express regret that, instead of our being pressed to consider them further, they were not frankly withdrawn.

10. TAXATION

Under the provisions of its Act of Incorporation the Commission's property was for obvious reasons exempt from all assessments. Notwithstanding this provision the City has assessed the property of the Commission in the devastated area, and at a high valuation. The Commission, however, thought that when the property became revenue bearing it was only right that it should acquiesce in a fair contribution to the City revenues in lieu of taxation, and therefore, in the earlier years the Commission voluntarily paid substantial sums. Later on the Commission paid no taxes, or contributions in lieu of taxes, because the City had failed to pay interest on its borrowings from the Commission. The settlement of

the matter of taxation, or contribution in lieu of taxation, has awaited, therefore, the adjustment of the accounts now happily concluded.

The City's claim in respect of taxation on the basis of its valuation reaches the large sum of \$195,000, while it will be noted from the accounts that the interest accruing to the Commission considerably exceeds that sum. The Commission has determined to make a contribution of \$87,305.79 in full settlement and in lieu of all claims in respect of taxes - including the year 1926-27 on the terms hereinafter set forth. There is not included in this sum any amount for pipe rates or water rates. These latter accounts the Commission or its tenants have paid and will continue to pay. This proffered contribution in lieu of claims for taxation, however, is to be made only on the following understandings:

(a) That the Commission's properties be assessed for a period of five years upon a valuation not exceeding the sum of \$500,000, subject to a deduction from this amount from year to year of the one half of the purchase money received by the Commission for any property disposed of during the preceding year. It is obvious that the Commission lands which were largely taken in connection with the relief settlements with individual owners or for new streets and which have not been built upon or otherwise utilized should continue to have the benefit of the statutory exemption. On the other hand, the proposed fixed assessment is a fair valuation for assessment purposes when it is taken into consideration that the Commission houses represent an investment of a considerable portion of its pension fund, and in view of the further fact that it is expected that because of the outlying situation there will continue to be more than the average number of vacancies. It must not be forgotten that the Commission houses were built without any real claim for that purpose upon the funds of the Commission, but at a time when it was most essential in the interests of the City as a whole that its housing accommodation should be increased, and as rapidly as possible. No private investor under the then existing conditions would have attempted to construct houses for investment purposes, and very few persons would build even for their own personal use. An exemption from taxation in the circumstances was considered amply to justify the legislation. At the expiration of the five years period suggested the exemption would then automatically revive, pending reconsideration of the situation as at that date.

It is worthy of observation at this point that the value of the property for assessment purposes within the limits of the devastated area is very largely in excess of that of the period before the explosion; so much so, that in process of time the increased revenue receivable in taxation will largely if not entirely meet the whole obligation of the City to the Commission.

(b) The Commission also feels that a further condition must be imposed, that the Richmond Heights district is hereafter to receive at the hands of the City the same degree of attention to its streets, and general civic requirements as is accorded to other sections. Heretofore the residents of the locality have been permitted by the civic authorities to acquire the belief that there was some sort of obligation on the part of the Commission itself to perform these civic services. There never was at any time any such obligation.

(c) The Commission also stipulates that there shall be no

further claims of any kind whatever hereafter presented by the City to the Commission. We think the time has arrived when all outstanding matters must be finalized.

11. OPEN SPACES - RICHMOND HEIGHTS.

In accordance with an understanding at the inception of our undertaking, the Commission will dedicate to the City, according to the boundaries fixed by it, Fort Needham Park, undoubtedly a valuable acquisition to the open spaces in that part of the City; and the City on its part is to convey to the Commission on the lands known as Mulgrave Park and a lot nearby known as Market Square.

The Commission will also convey to the City, if the authorities so desire, to be held for the public, the various smaller open spaces shown on its plan of the Richmond Heights District, as well as the new streets and boulevard already vested in the City by statute. Substantial advantages accrue to the City by reason of these arrangements.

12. COMMISSION WILL ACCEPT 5% DEBENTURES IN SETTLEMENT:

In discharge pro tanto of the liabilities of the City hereby determined the Commission is prepared to accept certificates of shares or debentures in the Halifax City Consolidated Fund 1905, bearing interest at 5% half yearly as of December 1st, 1926, and extending over such period as the City may desire. The issue of these certificates or debentures up to \$600,000 is now authorized by Chapter 63 of the Acts of 1918, and Chapters 81 and 82 of the Acts of 1919. The legality of the issue, however, must be subject to opinion of Council.

As to the balance of the liability the City will have to undertake the required financing.

Delivery of the certificates or debentures may be made on or before January 15th, 1927.

Such legislation as may be necessary or advisable in order to give effect to the arrangements is to be promoted at the ensuing session of the Legislature, and thereafter upon due completion of the financing the Commission will deliver up the certificate of shares in the Consolidated Fund now held as collateral.

13. CONCLUSION:

The settlement of the amount of the civic reparations claim and the accounting on both sides are now to be regarded as finalized and there is no further appeal. The Commissioners anticipate that their conclusions will be received with that measure of respect accorded to the conclusions of other judicial tribunals. They desire to assure the City Council and the citizens in general that consistently with the proper discharge of their important duties they have in this matter as well as in all others in which the City has been concerned done everything in their power to assist the civic authorities and often under great difficulties. If at times there has been an apparent lack of sympathetic co-operation the blame does not lie at the door of this Commission.

They have been the trustees of very large sums of money contributed principally by the Canadian Government and it is to

that Government we have been giving and will continue to give due account of our Stewardship.

(Sgd) T. S. Rogers, J.S.C.
Chairman.

(Sgd) W. B. Wallace, C.C.J.
Commissioner.

DATED DEC. 30th, 1926.

THE HALIFAX RELIEF COMMISSION
FINAL DECISION OF THE COMMISSIONERS, ADJUSTING
STRESSMAN'S CLAIMS AND COUNTER CLAIMS.

The Halifax Relief Commission, after many hearings and due consideration of outstanding claims of the Commission on the one side, and the City on the other, hereby determine that there is due and payable to the Commission as of December 1st, 1926, the sum of \$687,405.79.

(Sgd) T. S. Rogers, J.S.C.
Chairman

(Sgd) W. B. Wallace, C.C.J.
Commissioner.

DATED AT HALIFAX
DECEMBER 30th, 1926.

N.B. This decision is accompanied by

1. Statement of the accounts upon which the decision is based.
2. A memorandum explanatory of the various items.

From paragraph ten of this memorandum it will be noted that upon the terms therein set forth the amount of the ascertained indebtedness may be reduced to the sum of \$600,000 by the credit of a substantial voluntary contribution in lieu of taxes claimed by the City, the Commission's property being exempt from taxation by statute.

THE HALIFAX RELIEF COMMISSION

CASH ADVANCED TO THE CITY OF HALIFAX:

On loan account	\$532,300.00	
Interest adjusted to Dec. 1, 1920, as per Schedule "A"	70,737.30	
	<hr/>	
	\$603,037.30	
On destroyed schools account	<hr/>	
	154,870.00	\$757,907.30

Cash advanced to the City of Halifax brought fwd. \$757,907.30

CITY OF HALIFAX CLAIM:

School repairs as per Schedule "B"	\$348,375.25	
City building as per Schedule "C"	125,923.75	
Sundry losses as per Schedule "D"	<u>36,471.53</u>	\$510,770.53
One third off the above		<u>170,256.84</u>
		\$340,513.69
Schools totally destroyed as per Schedule "E"		<u>154,870.00</u>
GROSS RELIEF ALLOWANCE:		\$495,383.69
From which is to be deducted City's usual share of water, sewer, sidewalks, etc. as per Schedule "F"		<u>\$252,105.11</u>
		\$243,278.58

And also the following special
expenditures by the Commission
on City Account -

Market building	11,617.74		
Rockhead Smallpox Hospital	6,564.28		
Morris St. Infectious Diseases Hospital (less Commission Grant of \$10,000)	14,483.88		
City Work certified by City Engineer	<u>4,028.50</u>	<u>36,694.40</u>	\$206,584.18

AMOUNT DUE THE HALIFAX RELIEF COMMISSION
AS AT DECEMBER 1st, 1920 ON CITY REPARATION
ACCOUNT

\$551,323.12

Interest on the above December 1st, 1920, to
Dec. 1st, 1926

\$132,317.54

\$683,640.66

Sundry accounts as per Schedule "G"

3,665.13

TOTAL AMOUNT DUE THE HALIFAX RELIEF COMMISSION
AS AT DECEMBER 1-26

\$687,305.79

(Sgd) T. S. Rogers
Chairman

(Sgd) W. B. Wallace
Commissioner.

SCHEDULE "A"

STATEMENT OF ADVANCES ON CITY ACCOUNT WITH INTEREST
AT 6% PER ANNUM TO DECEMBER 1st, 1920.

DATE	AMOUNT	INTEREST RATE	AMOUNT OF INTEREST
Jan. 24, 1918	\$ 25,000.00	5% to May 1st 6% after that date	\$ 328.77 3,879.45
Apr. 24, 1918	5,000.00	6%	780.82
May 2, 1918	10,000.00	6%	1,548.49
May 6, 1918	5,000.00	6%	770.96
May 16, 1918	10,000.00	6%	1,525.48
May 29, 1918	15,000.00	6%	2,256.16
July 12, 1918	15,000.00	6%	2,147.67
Aug. 3, 1918	50,000.00	6%	6,978.08
Aug. 21, 1918	5,000.00	6%	683.01
Sept. 11, 1918	45,000.00	6%	5,991.78
Oct. 11, 1918	35,000.00	6%	4,487.67
Oct. 11, 1918	64,000.00	6%	8,206.03
Nov. 28, 1918	50,000.00	6%	6,016.44
Dec. 12, 1918	100,000.00	6%	11,802.74
Jan. 31, 1919	33,300.00	6%	3,656.61
May 13, 1919	40,000.00	6%	3,721.64
July 7, 1919	25,000.00	6%	2,100.00
	<u>\$532,300.00</u>		<u>\$66,881.80</u>
Dec. 12, 1918	14,483.88	6%	
Dec. 12, 1918	11,617.74	6%	
Dec. 12, 1918	6,564.28		3,855.50
	<u>\$564,965.90</u>		<u>\$70,737.30</u>

SCHEDULE "B"

PUBLIC SCHOOL BUILDINGS

Appraised explosion damage to schools \$348,375.25

Appraised damage.

SCHEDULE "D"

Fire Alarm System	\$ 3,430.00
Fire Hose	1,750.00
Fire Chief's Car	1,450.00
Seagrave Waggon and Equipment	1,559.00
Repairs to Patricia	6,000.00
Explosion damage to water service	7,805.00
Water meters destroyed	6,734.00
Incinerator instruments	782.00
Garden plants	233.25
Waggon Shed	250.00
Motor cars as appraised	1,200.00
Rental of Fire Engine whilst Patricia under repair	714.00
Rockhead small pox hospital	4,564.28
TOTAL	\$ 36,471.53

- 17 -

SCHEDULE "E"

TOTALLY DESTROYED SCHOOLS

Appraised replacement value of totally destroyed schools:

Bloomfield	\$ 39,000.00
St. Joseph's	54,200.00
Richmond	<u>61,670.00</u>
Total	<u>\$154,870.00</u>

SCHEDULE "F"

SUMMARY OF WORK DONE BY THE COMMISSION,
WATER, SEWERS, SIDEWALKS, ETC.

	<u>Commission Claim.</u>	<u>City Estimates</u>
Class B work, City's usual share	\$162,339.25	\$126,101.67
Class D work, City's usual share	150,340.08	126,003.44
	<u>\$312,679.33</u>	<u>\$252,105.11</u>

On consideration the City's share of the above costs is fixed at \$252,105.11

Cost of Gottingen Street Cut and Union Street Grading is abandoned on City abandoning their claim for cost of water and sewer pipes and house water connections - \$12,660.00

Cost Gottingen St. Cut and Union St. Grading	\$37,233.17	\$30,316.44
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SCHEDULE "F"

CLASS "D" WORK

WORK DONE BY RELIEF COMMISSION AND COST TO BE BORNE
WHOLLY BY CITY.

		<u>COMMISSION CLAIM</u>	<u>CITY ESTIMATES</u>
Item 1	Catch Basin construction	\$ 1,419.50	\$ 1,289.00
2	Catch Basin construction	18,458.05	15,817.75
3	Curb inlets	2,195.00	2,195.60
4	Repairs to Gottingen St.	3,000.00	3,022.00
5	Water pipes	3,339.00	3,339.00
6	Macadam Pavement	95,359.60	68,114.00
7	Connecting water pipes	516.10	516.10
8	Extending catch basins	56.35	56.35
9	Work on hydrants and catch- basins	133.75	133.75
10	Water mains, Hydrostone	22,744.25	19,636.50
11	Water main, Gottingen St.	9,627.32	9,627.32
		<u>\$156,849.52</u>	<u>\$121,337.37</u>
	Engineering	<u>5,489.73</u>	<u>4,264.30</u>
		<u>\$162,339.25</u>	<u>\$125,601.67</u>

CLASS "D" WORK

WORK DONE BY RELIEF COMMISSION - CITY CREDITED WITH REGULAR
ASSESSMENT - BALANCE CHARGED TO CITY.

ITEM	COST	<u>COMMISSION STATEMENT</u>		VALUE	<u>CITY CLAIM</u>		CITY SHARE
		ASSESSMENT	CHARGED TO CITY		ASSESSMENT		
1. Water and sewer, Diagonal streets and Albert St.	30,056.91	7,346.00	22,710.91	23,405.00	7,346.00		16,059.00
2. Water & sewer Hydrostone area	34,540.65	10,080.00	24,460.65	30,760.00	10,080.00		20,680.00
3. Water & sewer Hennessey Field etc.	18,947.80	3,185.00	15,762.80	18,947.80	3,185.00		15,762.80
4. Curbs & gutters	44,641.00	22,320.50	22,320.50	40,063.25	20,031.62		20,031.63
5. Concrete pavement	88,058.21	44,029.11	44,029.11	74,164.00	37,082.00		37,082.00
6. Concrete sidewalks	26,642.50	13,321.25	13,321.25	19,145.50	9,572.75		9,572.75
7. Tarvia, Diagonal Sts. & Gottingen St.	5,108.55	2,554.28	2,554.28	5,108.55	2,554.28		2,554.28
Total	247,995.62	102,836.14	145,159.50	221,594.10	89,851.65		121,742.46
Engineering 3½%			<u>5,180.58</u>				<u>4,260.98</u>
			150,340.08				126,003.44

SCHEDULE "G"

ACCOUNTS CHARGED TO THE CITY OF HALIFAX.

Cots, sold, Invoice 612, No. 24-18	\$244.00
Cost of Slaney Lot 138-140 Young St.	
Reserved for Isleville St. extension	400.00
Maritime Construction Co. Ltd. in liquidation	
Claims	\$1,120.00
less credits	91.23
Insurance Infectious Disease Hospital	237.12
Balance of Plumbing Inspector's salary	467.74
Rental of Willow Park Camps	1,400.00
	<hr/>
	\$3,777.63

Less Credit for Tools, Mortuary Committee March 23rd, 1918	
	112.50
	<hr/>
	\$3,665.13
	<hr/>

The following Resolution is submitted:

"The report of the Finance Committee on the award of the Halifax Relief Commission having been read IT IS RESOLVED that in view of the loss suffered by the City, being the result of a National War Disaster, a delegation be sent by the City to wait on the Dominion Government at Ottawa, and present a memorial for relief, and that in the meantime the Halifax Relief Commission be requested to defer action on the said award.

FURTHER RESOLVED that the City Council desires to assure the Halifax Relief Commission of its anxiety to dispose of the matter at the earliest possible date."

Moved by Alderman McCarthy, seconded by Alderman Shannon and passed unanimously.

Moved by Alderman O'Toole, seconded by Alderman McCarthy that the delegation to wait upon the Government at Ottawa in connection with the Relief Commission adjustment be composed of His Worship the Mayor, Ex-Mayor John Murphy and City Engineer. Motion passed, Alderman Hubley dissenting.

A true extract,

(Sgd) W. P. Publicover

W. P. Publicover
CITY CLERK.

HALIFAX RELIEF COMMISSION

Supplementary Report by J. G. DeWolf.

Since preparing previous report I have been delving further into the matter, more particularly as to the formation of the Commission, but have not found, as yet, any particularly interesting information in this regard.

The Minutes of the City Council at that time do not give any particulars as to formation. I note however, after the Commission was set up (January 1918) that it was suggested by the members of the Commission, T. S. Rogers, Judge Wallace and F. W. Fowke, that an advisory committee to work with the Commission be set up, this advisory committee to consist of the Mayor, two Controllers and one alderman from each ward.

I cannot find whether this committee ever functioned or, if they did function, when their services were dispensed with.

I have, however, discovered data of interest from a report of a hearing held at the County Court House, December 14th, 1926, in regard to finalizing borrowings from the Relief Commission by the City and monies due the City by the Commission.

Trying to briefly summarize the report presented to the Court by the Commission it would appear that the City had submitted a total claim of over \$1,000,000 but it was presented too late, it was claimed, to be properly considered and also there were not sufficient funds to meet the claim.

(Amount allowed including payment for three schools totally destroyed, \$495,383.)

Clause 13 of this report reads in part - "The settlement of the amount of the City claim and the accounting on both sides are now to be regarded as finalized and there is no further appeal."

In respect to part claim which was considered and not presented too late, there was a deduction made of \$170,256.84 as it was stated there was not sufficient money available to pay all claims.

The City had borrowed money from the Relief Commission against its claims and gave debentures as security. Six percent interest was charged for this money which amounted to \$70,737.30. A further sum of \$36,694.40 appears to have been advanced to the City, for repairs made to certain civic buildings, but seems to have been disallowed, as claim.

From the above you will note that in addition to claim I have already suggested in respect of taxes, the City has also suffered the loss of a further substantial sum of money.

If you only consider the amounts of

There is no doubt in my mind this was the sincere thought of the Commission at that time, and they were endeavouring to be conservative in their views so as to be able to guarantee pensions, which is commendable and proper.

However, their surmise has not been borne out in actual fact. The houses for at least the last seven years have been 100 percent occupied.

The cash reserve, undoubtedly through efficient and conservative management (and, I must add, cheap taxes) has been so built up that I contend the properties are no longer necessary, in any degree, for securing continuance of payments to pensioners and I submit it is therefore reasonable and fair to ask that the City again be allowed to present its claims.

Respectfully submitted.

J. G. DEWOLF.

JGDeW/EHJ



8-9 GEORGE V.

CHAP. 24.

An Act respecting the Halifax Relief Commission.

[Assented to 24th May, 1918.]

WHEREAS the Governor in Council appointed T. Sherman Rogers, one of His Majesty's Counsel, His Honour William Bernard Wallace, Judge of the County Court, and Frederick Luther Fowke, commissioners for making enquiry into the loss, damages and injuries sustained and incurred in consequence of the disastrous explosion at Halifax on the sixth of December last, and to take over and administer the relief funds contributed for the assistance of the sufferers; and whereas an Act has been passed by the Legislative Assembly of the province of Nova Scotia incorporating the said commissioners and conferring upon them the powers and duties mentioned in the said Act, and it is desirable that the said Act should be ratified and confirmed: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The Act to incorporate the Halifax Relief Commission, enacted by the Legislature of the province of Nova Scotia and assented to by the Lieutenant Governor of the said province on the twenty-sixth day of April, one thousand nine hundred and eighteen, is hereby ratified and confirmed.

Act of Nova
Scotia
ratified.

2. The expenditure and accounts of the Halifax Relief Commission shall be subject to such audit and examination as the Governor in Council may, upon the recommendation of the Auditor General of Canada, from time to time prescribe.

Audit of
accounts.

OTTAWA: Printed by JOSEPH DE LABROQUEUR TACHÉ, Law Printer
to the King's most Excellent Majesty.



CITY COUNCIL

OFFICE OF CITY CLERK
CITY HALL

Halifax, N. S., December 12, 1957 19.....

Extracts from Minutes of a Meeting of the City Council of the City of Halifax

held on the 13th day of January 19 27

HALIFAX RELIEF COMMISSION CLAIM

His Worship the Mayor

Jan. 13th. 1927

REPORT COAL WEIGHING

Read report A.H. Gallymore, Supervisor of Coal Weighers showing that Permanent Weighers received the sum of \$111.45 in fees during the month of December 1926:

FILED

HALIFAX RELIEF COMMISSION CLAIM

Read report of the Finance Committee on adjustment of the claim of the Halifax Relief Commission against the City of Halifax, and Counter claim of the City against the Commission:

Committee Room,
City Hall,
Jan. 12-27

His Worship the Mayor
and City Council.

Gentlemen:-

Your Committee on Finance to whom was referred the Claim of the Halifax Relief Commission, beg to report as follows:

At a meeting of the City Council held on the 25th November last, His Worship the Mayor informed the Council that Mr. Justice Rogers, Chairman of the Halifax Relief Commission, had asked for a settlement of the Claim of the Halifax Relief Commission against the City, and as the City had a Counter Claim against the Commission the matter was referred to this Committee with power to adjust accounts, and prepare a scheme of settlement, same to be subject to ratification by the Council.

Your Committee together with His Worship the Mayor, City Solicitor, City Engineer, City Auditor and City Treasurer have had several conferences with the Relief Commission, and have spent much time and energy going over the various items in the accounts.

A hearing on the subject of the

Jan. 13th. 1927

the members were given an opportunity of expressing their views on the adjustment as proposed by the Commission.

At a meeting of the Committee held on January 3rd, the Chairman submitted and read a report covering the adjustment of the Commission on all outstanding accounts between the City of Halifax, and the Relief Commission, a copy of which is hereto attached.

Your Committee recommend that the adjustment as submitted by the Relief Commission be approved and the award accepted subject to an adjustment in the allowance for taxes as suggested by the City Auditor.

Your Committee further recommend that the City Solicitor be instructed to draft the necessary Legislation to carry into effect the proposed settlement.

Alderman Power dissenting on account of the magnitude of the interests involved, being of the opinion that the Council should consider and deal with the subject.

Respectfully submitted

Egd. John J. Power
CHAIRMAN

**IN RE ADJUSTMENT OF OUTSTANDING MATTERS
BETWEEN THE CITY OF HALIFAX AND THE
HALIFAX RELIEF COMMISSION**

EXPLANATORY NOTES AS TO THE FINDINGS OF THE COMMISSIONERS

1. CASH ADVANCES TO THE CITY \$757,907.39

Beginning on January 14th 1918, and continuing up to July 7th 1919, the Commission at the urgent request of the City Authorities made some seventeen loans to the City, these varying in amount from \$5,000 to \$100,000 and aggregating \$532,300.00

The Commission at that time had no funds which could then be applicable even in part to meet the City's reparation claims. The Commission in addition to cash loans advanced direct to the School Board a further sum of \$154,870.00, that being the then value of the three destroyed schools, as appraised by Mr. J.C. Harris.

In addition to these advances there were special expenditures made by the Commission on the City's account, at its request, aggregating \$32,660.90, thus

Jan. 13th. 1927

For these advances the Commission accepted from time to time certificates of shares in the Consolidated Fund, 1905, upon the undertaking that the necessary borrowing powers from the Legislature would be obtained. In due course the necessary acts were passed (See Chapter 63 of the Acts of 1918, and Chapter 81 and 82 of the Acts of 1919)

On the above named sum of \$564,965.90 the interest accrued up to December 1st, 1920, that being the earliest practicable date an adjustment could have been made between the City and the Commission, amounted to the sum of \$70,737.30. The sum of \$158,870.00 advanced against the destroyed schools is added to the other items to show the total advances as of the date mentioned, namely \$757,907.30. No interest, however, has been charged against the destroyed schools account and by a cross entry the full amount of that item is allowed on the City reparation account.

2. THE CLAIMS OF THE CITY

The City Claims have been adjusted after many conferences between the undersigned on the one hand, and the members of the City Finance Committee, City Engineer and Auditor on the other side, at \$510,770.53, or including the allowance with respect to destroyed schools, at \$665,640.53.

Our findings with respect to the repairs to the injured schools and the City buildings are, after a careful examination of the City's expenditures, based in large part on the report of Mr. J.C. Harris, who was employed by us some years ago to inspect the reparation work and report to us. Mr. Harris is a well and favourably known contractor of large experience and a former alderman and School Commissioner.

The item of sundry losses \$36,471.53 is made up of various claims which were presented along with many untenable and subsequently disallowed claims to the Commission at a very late date. We had required the City to present all its claims to us in or before the month of October 1918, so that we could make our final appeal to the Federal Government for further contributions before claims of the larger business concerns and civic and municipal losses could even be considered; but these belated claims were not presented to us until April 20th, 1925.

As the public has always well understood the amount of three million dollars finally granted to the Commission was not sufficient to cover the losses in full, and it was always recognized that the claim of the City for reparations should remain in abeyance until all others were adjusted. It soon became clear to us that no more than two-thirds of the aspraised loss could be allowed to the City by way of reparations. This explains the deduction from the allowed claims (other than that in respect to the destroyed schools) of \$170,256.84 which appears in the account.

It is also to be noted that the Commission did not have in its hands any money out of which it could respond to City Claims until the last installment of \$500,000 of the final three million dollars contribution was received in 1920

Jan. 14th. 1927

3. GROSS RELIEF ALLOWANCE

Our determination therefore to grant a gross relief allowance of \$495,363.69 with respect to proven direct losses, subject to the deduction of appropriate charges against the City for ordinary municipal works, and other contra accounts, is regarded by the Commission as being a liberal contribution and the extreme amount which we feel justified in fixing under all the relevant circumstances.

4. DEDUCTION FOR WATERWORKS, SEWERS, SIDEWALKS ETC.

The Commission has decided after the most careful consideration that for the civic works executed and paid for out of the funds provided for the erection of houses in the devastated area, the sum of \$252,105.11 must be set off against the gross relief allowance. This is the minimum sum at which we feel justified in fixing the City's usual share of water extension, sidewalk and paving construction. The sum is considerably less than the actual expenditure, and Mr. H.B. Pickings C.E., who represented the Commission in this undertaking, reported to us that the sum of \$349,912.50 should reasonably and properly be charged in respect to this work, as being the City's usual share of such services. Notwithstanding the contention of City Engineer Johnston, that the amount suggested by Engineer Pickings is excessive, we feel we would be fully warranted in reducing the relief allowance by the sum Mr. Pickings had recommended. In view, however, of the considerations urged before us, and taking into account a number of cross credits of doubtful merit claimed by the City in its statement presented to us, the lesser sum suggested by the figures of the City Engineer has been finally adopted.

The suggestion put forward on behalf of the City that these expenditures were made in carrying out a town planning scheme, and that the whole expense should therefore be borne by the Commission is supported neither by the facts nor the justice of the case. The Commission executed its works under its statutory authority, quite apart from its powers as to town planning. The town planning provisions of the statute were never acted upon by us, but even had they been, the Commission has met without any expense to the City all the new planning. This is a matter quite separate and apart from the laying of water mains and sewers, and the construction of sidewalks and pavements which were, indeed, necessary, and the payment of a large portion of which has been borne by the Commission as owner, as in the case of an individual citizen.

Moreover the Commission has also met, without any charge to the City, the expenses of rough grading the streets, the cuttings (especially in connection with Fort Needham) and the large fills required in order to carry out the general improvement.