

# Municipal Progress in Saskatchewan

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Our province is so big and so virile that there are new conditions turning up all the time, some unexpected situation to meet, some unlooked for state of affairs which requires initiative and prompt action. Many of you doubtless thought a few years ago that The Rural Municipality Act had reached a condition where no further changes would be necessary, but then the war broke out and that calamity alone has meant alterations in your Act at each session since. Other amendments also were shown to be advisable and most of them were suggested by your representatives.

No sooner did the war come to a virtual close than the great question of properly receiving home again our soldiers confronted federal, provincial and municipal authorities. There is much in this line which reeves, councillors and similar officials can do to settle the big problem of repatriation. It is pleasing to see that the sessions of your convention are giving time to these stirring war and after war affairs. Anyway, war or no war, there are always arising in a new province vital questions which are close to the people and their welfare. This conference gives a ready and practical avenue for discussing them. I have noticed in my attendance at your annual conventions, which covers a somewhat lengthy period of years, that there is nothing of the humdrum about them; in fact, there never was, nor will there likely be, anything monotonous about the Saskatchewan Association of Rural Municipalities. Brisk business principles seem to prevail.

But I must not forget that my official designation has been changed since we met in Moose Jaw last winter. In fact, the alteration came only last month, or exactly ten years after I was made Deputy Minister of Municipal Affairs. For over six years previous to February, 1909, I had been closely connected with the development of municipal institutions in the North-West Territories and in Saskatchewan. I hold that, apart altogether from its being my daily work, it was a distinct honor and privilege to be so associated with the development of this great West. Perhaps it was this somewhat lengthy experience in municipal work that caused my transfer to a Board which has much to do with the municipal and school financing of the province. Names and offices may change, but my interest in Saskatchewan's municipalities has undergone no alteration or variation nor is it likely to; nor can I forget the individuals who have taken a prominent part in Western municipal advancement. I would indeed feel lost for a long time were I separated from Saskatchewan's municipal activities. I hope you will pardon the personal reference which I am making in these few remarks, but at the beginning of a new decade it is hard to avoid them.

As already stated, the position which I now hold under the Local Government Board brings me still into daily touch with the municipalities of the province although from a somewhat different angle. I will also be required to assist in dealing with school, hospital district and rural telephone debentures, so you will see that the field has somewhat widened. The Local Government Board of Saskatchewan is similar to the Railway Board of Canada in composition and constitution. It is also very much like the Local Government Board of Great Britain. All proposals to issue debentures by any city, town, village, rural municipality, school district, rural telephone company or hospital district, must come before the Local Government Board for rejection, approval or modification. The fact that applications to thus create a permanent loan are reviewed by the Local Government Board (which examines the situation from many angles and in the light of experiences of other municipal institutions) results in the debentures of a local authority selling at a higher figure. The prospective purchaser knows that the project has undergone additional scrutiny apart altogether from local coloring or desire.

\*From an address given at the Fourteenth Annual Convention of the Saskatchewan Association of Rural Municipalities held in the city of Regina on March 5, 6, 7, 1919.

## Urban Debenture Indebtedness.

In the good old days of 1911 and 1912, before the Local Government Board was in existence, some urban municipalities undertook debenture indebtedness which was out of proportion to their ability to pay. Fortunately they were very few. Previous to the creation of the Local Government Board on January 1, 1914, no provincial authority controlled the borrowings of cities and towns. These institutions passed their own by-laws which were voted on by the people concerned and the final decision was thus given by the electors. But in periods which resemble boom times it is quite unusual to have an adverse vote on a municipal by-law which provides for development. Before 1914 all proposals to issue debentures by villages and rural municipalities were by law sent to the Department of Municipal Affairs for approval, rejection or modification, in the same way as they are now forwarded to the Local Government Board. It is a source of much satisfaction to the Department, and to all rural municipal officials, to know that no one rural municipality has failed to meet its annual debenture coupons, not one is in default. A similar statement can be made regarding the present state of villages. To cut down, or to refuse altogether, a proposal to borrow by debenture is not always a pleasant duty, but when later results show the wisdom of such action, there is room for gratification.

The debentures of rural municipalities are easily classified as "gilt edged" on account of the very substantial security upon which they are based. What is better in any province, and particularly in Saskatchewan, than farm land? However, rash borrowing on the part of even a few rural municipalities might make their debentures as a class exactly the reverse of gilt edged. Municipalities generally cannot be too careful in making debenture loans. It was at one of your conventions about ten years ago that I reiterated the old-fashioned truism that it is easier to go into debt than to get out of it. I also intimated that no matter how easy credit might be, taxes should be collected with all promptness. In those days it seemed easier, in many instances, to borrow money than to collect it by way of taxes—a dangerous and treacherous condition.

## Don't Over-Borrow.

There may be a tendency in some quarters, now that the war is over, to throw discretion to the winds and to borrow to the limit. I would say beware of the reaction which may come after the compulsory tightening of our belts during the last four years. You will notice that the prices of labor and materials have not come down since the signing of the armistice and we are told that they are not likely to abate for probably another year at least. Improvements then for 1919 under such conditions would be secured only at the maximum of cost. These prices will doubtless lower in coming years, but the fixed annual charges will remain fixed at the original high figure. Only a few days ago I asked an applicant who wished his community to borrow heavily for a certain purpose, if he would care to buy wheat at present day prices for his use five years hence? I have learned that municipal borrowings should be attempted only after close and careful deliberation. As a rule the rural municipalities of Saskatchewan have not been inclined towards over-borrowing—a fact which assists in giving their securities a high rating when they are put on the market.

## Hospital District Debentures.

Just a word or two regarding a new kind of debenture which may appear this year and in which at least some of your communities may be interested. I refer to "hospital district debentures," which were provided for in legislation passed just last month and regarding which you are practically all informed. These new securities are somewhat similar to school debentures. They will have as their basis rural municipalities, or parts of them, and urban municipalities as well. The major portion in area,