

PROVINCIAL DEPARTMENTS—(Continued) —

Uniformity in the conduct of municipal offices is assisted by instructions given direct from the Department and by having municipal inspectors visit the office of each clerk or secretary treasurer at least once every year. These inspectors make a report on conditions as they find them. The visit may be made at any time of the year. The inspector does not supplant the auditor who has been hired by each council, but the former makes a general inspection and reports among other things as to whether or not the work is up-to-date and conducted on business lines. If a local official is found to be persistently neglecting his work, power is given to the minister to have such encumbrance removed and the proper person installed. Among other features which are examined by a municipal inspector when he calls at the office of a municipal clerk or secretary treasurer, are the following:

- 1st.—The total amount of the assessment?
- 2nd.—The general rate in mills on the dollar?
- 3rd.—The total debenture debt?
- 4th.—Have all debenture payments due been covered by deposits?
- 5th.—Is the system of accounting sufficient and reasonably uniform with that prescribed by the Department? If not what books or forms are required to complete the system?
- 6th.—The period during which the secretary has held his position?
- 7th.—Has he given security for the faithful discharge of his duties?
- 8th.—Are all funds banked?
- 9th.—Are all payments made by cheque?
- 10th.—Is there any financial statement due but not issued?
- 11th.—Has the secretary treasurer ample fire protection for his books and records?

In addition general remarks are in order and the conduct of the office is usually classified as "good", "fair" or "bad." Thus it is possible to check up the progress which one may make who is classed as "fair" during the course of a few months. The inspector makes a report in duplicate to the Department. One of these is sent to the chief official of the municipality, while a letter commenting on the finding of the inspector is invariably sent to the secretary himself who is informed that a copy of our official's report has gone forward to the mayor or reeve.

Uniform municipal accounting is a subject on which much has been spoken and written. It is indeed a goal much to be desired. I have difficulty in seeing how it can be attained in any province which has not a department of the governmental service devoting its energies to municipal interests and activities. In Saskatchewan the Department of Municipal Affairs prepares and prescribes all books and records for each class of municipal organization. The books used, for example, in one town are identical with those in all other towns. This statement does not apply to our seven cities for the reason that before the Department was formed most of them had installed at considerable but no doubt reasonable cost, systems of accounting on the suggestion of capable chartered accountants which although not wholly uniform, gave practically the same results so far as showing important statistical information is concerned, and in submitting to the ratepayers a concise statement of assets and liabilities, revenues and disbursements. The inspection at unstated periods by the inspectors from the Department assists very materially in maintaining uniformity in accounting and general administration.

Changes in municipal legislation are frequent. This fact, I understand, applies to every province and to every one of the United States. Particularly so is it true in those parts of Canada which are rapidly developing. Municipal legislation must be such that it meets changed and changing conditions. It is convenient for municipalities to have one department of the service which will receive and study their proposals for amendments in our municipal law. This is one duty of the Department of Municipal Affairs. Suggestions for alterations are presented often by individuals, oftener by practical municipal men and regularly by the Saskatchewan Municipalities. The latter represents the cities, towns and villages of Saskatchewan. At the annual conventions of the above bodies legislation is discussed, resolutions passed and presented in due time to the Minister of Municipal Affairs who gives them careful consideration and when adopted, presents them to the legislature.

Saskatchewan has large areas on its frontiers where local self government is not yet possible. Many other provinces are similarly situated. These sparsely settled areas are called local improvement districts. The work of assessment in them is carried on direct by the Department so that they may not be totally without the benefits of systematic taxation.

Time and the allotted space prevents me from continuing to deal with the advantages which may be secured from the existence of a Provincial Department of Municipal Affairs. I am at this Convention, however, for the purpose of making myself useful and if any delegate wishes further information on the subject with which I am dealing, I will be pleased to do my best to answer any question asked now or at any other time before the Convention closes and we depart from the city.

I will now devote a few minutes to a section of the governmental service whose interests are closely connected with those of the Department of Municipal Affairs. It is an independent commission similar to the Railway Board of Canada. I refer to the Local Government Board of Saskatchewan. It consists of three members each of whom is appointed for ten years and is removable only on address to the legislative assembly. Its independence of governments or political changes is one source of its strength. A board of similar name and purpose has been instituted in Great Britain since the year 1834 but naturally there its powers and jurisdiction are more extensive.

Before a city, town, village, rural municipality, school district or rural telephone company undertakes the issuing of debentures, application for permission to assume the indebtedness must first be made to the Local Government Board. When the proposal is brought before it, the board investigates carefully all circumstances in connection with the desire to undertake the permanent loan. The necessity of the proposed municipal improvements receives careful attention, as well as the capacity of the municipality concerned to repay the resulting debt. The possible or probable future of the municipal institution concerned is taken into consideration as well as its population, assessment, the present indebtedness and the general business capacity of the corporation desiring the loan. Too often have young towns and similar institutions looked on the future through rose coloured glasses and have seen in each of their respective centres a budding metropolis. Particularly so is this the case while a city, town or village may be at the end of the steel or the terminus which thus has a large area tributary to it. The restraining and moderating influence of the board has often brought about more serious thought on the part of the applicants for a loan which would embarrass the ratepayers concerned in the future. Many municipalities have admitted after more serious thought that it is better to walk well before attempting to run. The Board may reject the application to borrow money, it may reduce the amount desired or where conditions are bright, approve of the entire sum. A few of Saskatchewan's towns after a period that resembled a boom and before the Local Government Board came into existence at the beginning of 1914, borrowed not wisely but too well. No department of the governmental service would learn of the ambitious programme until the by-laws had been passed. For these few the burden has been heavy but none of Saskatchewan's municipalities has repudiated its debenture indebtedness.

The existence of a board of the kind inspires confidence in the prospective bond purchaser. He knows that the reasonableness of the loan has been carefully reviewed by an independent commission who has not been swayed by local colour or perspective. The result of its existence, which was soon felt throughout the Province, is shown in the fact that Saskatchewan's municipal, school and telephone debentures commanded higher prices than they would otherwise have obtained. The Board's sanction to a loan means that the proposal to borrow is neither hasty nor ill-advised. Let me cite one instance which I have in mind. A New York firm of investors bid for the debentures of a certain Saskatchewan city. A good price was offered but it was conditional on the city's having an audit made. A representative of the firm came to that city and after having examined the work and duties of the Local Government Board, caused his firm to withdraw the application for the audit as he deemed it utterly unnecessary and approved of the investment. Thus the city was saved the heavy expense of an audit and investigation which might have reasonably cost five to ten thousand dollars.