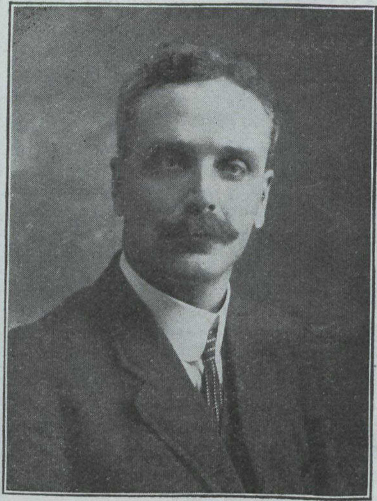
MUNICIPAL ADJUSTMENTS IN ALBERTA.

JOHN PERRIE, Deputy Minister of Municipal Affairs.



"As far as our munipal institutions were concerned, the year 1917 was to a great extent a continuation of similar conditions to those existing during the previous year. The situation, however, in regard to our smaller urban municipalities, and our rural organizations, has improved a great deal. For many of our smaller urban organizations the year 1916 was a time of adjustment. It was a time during which they were reducing their expenditure in every possible way, levying as high a rate of taxation as they could, and striving to clean up their liabilities. In some cases, it might have been said to be a question as to whether or not they would be successful. During the past year, however, most of the municipalities so situated reached a satisfactory solution of their troubles, their debenture payments were promptly met, and the large temporary liabilities which they were carrying from year to year were either eliminated altogether, or greatly reduced. They have, as it were, "got over the hill," and with the economical administration which will no doubt continue after the experience they have had, they will shortly be in a very good financial condition, and lower tax rates will be sufficient for their needs.

Readjustment of Assessments.

"We have, unfortunately, some municipalities which are still in the throes of the adjustment necessary to meet changed conditions, but the necessary re-arrangement of their liabilities, and adjustment of taxation, will no doubt be made in time, without loss to those interested, and business will be placed on a satisfactory basis. One of the sources of trouble during the past few years, in connection with our municipal finances, has been the abnormal assessments of land. The fact that the assessment was allowed to become very high is quite easily understood when we consider the inflated prices which were being paid for real estate. In many cases the assessed values were below the selling price, and still were altogether too high. These assessments are now being greatly reduced, and, as the assessment of the municipality is the foundation of the whole financial structure, the bringing down of the assessment values to the real values will put the municipal financial structure on a solid foundation. This period of over-assessment has left behind it a legacy of arrears of taxes which in many cases is not very valuable. The land in some instances is not worth the amount of taxes that has accumulated, and it would appear that some adjustment should be made to lift this burden in some way, so as to make such property revenue-producing, and remove from the records of the municipality fictitious assets which are very misleading and unbusinesslike.

With the reduction of assessed values has come a widening of the basis of taxation. This is evidently the result of a desire to place the municipal burden as directly as possible on the shoulders of all who benefit by the existence of the municipality. The question as to what should be taxed is a problem on which there are widely different opinions; but the municipal indebtedness must be met, and with the disappearance in our urban municipalities of what was called "the assessed value of land," it seems to be necessary in some cases to look for other sources of revenue.

While the changes that are being brought about in connection with taxation may seem drastic, they may be necessary, in order to bring about satisfactory financial conditions, and these changes will bring municipal problems home to many who have given them little thought in the past, and while there are many discussions from time to time as to the different forms of municipal gov-