

Grave Problems Facing Municipal Administration

Address of Mr. Robert Baird, Provincial Inspector of Municipalities Before Convention of Union of British Columbia Municipalities at Penticton on September 18, 1918.

"I am rather sorry, Mr. President, that perhaps there was a misunderstanding. My intention was not to take up questions directly connected with the new Act, so much as to take up one or two points which have never been placed before this Convention before, and which I am convinced are of great importance. The points that I would like to make and the figures in connection with them are boiled down, and I hope I can give them to you in a very few minutes.

"Some four years ago, when the municipal situation in this province became very acute, the particular problem was to get sufficient money to carry on. In the year 1914 and the beginning of 1915 it looked very much as if a number of the municipalities were going to be greatly embarrassed for funds to carry out their obligations. That period was passed over with a certain degree of inconvenience, however, and they have been able to carry on with some measure of gratification to themselves and those who were interested.

"However, during the last year or two the impression has been created that everything has been running easily, and while I have no intention of telling a blue ruin story, I think there are some facts in connection with the matter which should be brought before you, so that you can see just how things are going in your municipalities. I have reports gathered together for the year 1917, showing what the municipalities are doing.

"The taxes actually collected by the municipalities in 1917 were \$9,552,000.00. Now, I have taken as a basis of calculation the figure of \$9,552,000.00, although that figure is greater than the amount of taxes collected in any other year. Your revenue for last year was approximately, and in round figures, \$10,701,000.00, made up as follows:

Taxes	\$ 9,552,000.00
Government grant to schools	824,000.00
Trade licenses	160,000.00
Dog taxes	20,000.00
Road taxes	41,000.00
Fines and costs	104,000.00

Making a total of moneys collected by the municipalities of.....\$10,701,000.00

That was the total amount of the cash received by the municipalities; out of that \$10,701,000.00 there was paid in uncontrollable expenditures as follows:

Yearly levy for debt.....	\$6,630,000.00
Schools, exclusive of interest and sinking fund	1,853,000.00
Administration of justice	562,000.00

Making a total of\$9,045,000.00 over which the municipalities have no control.

"You collected \$10,701,000.00, and out of that spent \$9,045,000.00 over which there was no control at all, leaving a balance to be expended for various matters of municipal administration of \$1,656,000.00. Of this sum which was left to the discretion of the councils you spent,—for street maintenance, \$1,443,000.00, practically the whole amount left over from the uncontrollable expenditures. The street maintenance for last year was very light, it was the lightest for some years, and that maintenance, which ought to be increased, takes up the whole of your balance.

"The expenditures, roughly speaking were as follows:

For street maintenance	\$1,443,000.00
For fire protection	546,000.00
For health	167,000.00
For general administration	539,000.00
Indemnities to councils	77,000.00
Upkeep of parks	74,000.00
Sewers	160,000.00
Upkeep of municipal halls	52,000.00
Donations and grants	314,000.00
Interest on loans	372,000.00

Making a total of\$3,744,000.00

Your actual receipts being over expended to the amount of \$2,088,000.00.

"Now, that has been going on for four or five years, the over expenditure has averaged from two to three million dollars. Most of that, of course, is represented by arrears of taxes. The arrears of taxes

At the end of 1914 were	\$ 5,994,000.00
At the end of 1915 were	9,366,000.00
At the end of 1916 were	11,857,000.00
And at the end of last year were	13,680,000.00

"The point I wish to make in connection with that statement of figures is just simply to raise the question plainly before the municipalities of the Province, as to whither you are drifting. How long is it going to go on with a deficit of two to three million dollars a year. As I said, it has gone on for four or five years and you have outside of your bonded indebtedness, a liability of \$8,076,000.00. The municipalities of the Province are also short in their sinking funds to the amount of \$3,602,288.26.

"Now, that is practically all that I have to say at the present time. It is simply to put before you those figures and point out this fact, that under the present conditions, if you will retain the existing long credit system of taxes, you cannot hope to collect much more than the ten million dollars that you collected last year, and it just means this, that whereas your principal function should be the carrying on of municipal administration—that is what you are elected for, to carry on municipal administration—as things are now you are practically drifting to the point of existing as municipal councils for the purpose of paying outstanding debts. It also gives rise to the question as to how long that sort of thing can continue. As I said, in 1914 the arrears of taxes were \$5,994,000.00, now they are \$13,680,000.00. You have existed since 1914 and continued administration by spending your arrears of taxes, and increasing your liabilities, but the point is, how long can this go on? It is beginning to look in some cases as if you were going the limit, in some cases going beyond. In some of the smaller municipalities the matter is getting very serious. As I said, it is not my intention to take up the time of the convention, but the point that I want to emphasize is that those questions of the general finances of the Province are the questions which must determine the policy both of the municipalities and of the Provincial Government, the main question being where are you drifting, and how long can you continue in your present course?

"In conclusion, I should apologize for not taking up the matters which you, Mr. President, asked me to take up, but my understanding is that I was to be given the opportunity of presenting just those questions which, at this time, should be placed squarely before the municipalities for consideration."

The Convention decided, practically unanimously, for the creation of a Local Government Board having supervision over municipal administration and finance.