

# Experiment in Local Government

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**W**HATEVER may be the faults of the Social Credit government of Alberta, lack of political courage is not one of them. Over the years a number of measures have been carried through in the face of wide and often bitter opposition. A case in point is local government reform. An almost complete re-modelling of the system of rural local government has taken place since 1936, whereby over 3,000 small school districts have been abolished, and have been replaced by some 50 large divisions, while the number of rural Municipal Districts has been reduced from 143 to 60. On the whole, and despite the early criticism, there is little doubt that today these changes in school and municipal administration would be endorsed by the great majority of the people.

The process of local government reform goes on. In 1950 a uniform City Charter was drafted, to replace the old and the varied charters of the seven cities of Alberta, and is now under active discussion in preparation for its enactment at the forthcoming session of the legislature. But by long odds the most radical and imaginative, as well as the most widely criticised, of local government reforms in recent years was the County Act of 1950.

To appreciate the radical nature of the changes proposed by the County Act one should recall the main outlines of the existing system. At present school boards, municipal councils and, in some cases, hospital boards are separately elec-

ted bodies. School boards and hospital boards derive their funds from requisition drawn upon the municipal councils, and upon town and village councils if the latter are serviced by the boards. The councils are compelled by law to pay the amount asked for, and in turn they obtain the bulk of their revenue from the local rates—the mill rate upon real property. The tax notice to the property owner shows separately the mill rate for municipal purposes, for schools, and for hospitals. The school and hospital boards do not themselves levy or collect any taxes.

This system, by which the municipal council is the sole local taxing authority (except in a very few cases), is certainly an improvement upon the older system with its variety of taxing authorities. The boundaries of the municipal and other authorities do not however coincide, so that one school board, for instance, may have to make up its budget by requisitions upon several municipal councils.

The County Act proposes to change all this, by providing one omnibus local authority, the County Council, which will take over all local functions including the operation of the public schools (but not the Separate Schools) and, where they exist, the municipal hospitals. In the first instance, as an experiment, Counties will be set up, at the request of either the school division or municipality concerned, in not more than four areas where the different boundaries are roughly coterminous. At the end of four years a plebi-

scite is to be taken in the experimental areas to ascertain whether the voters wish to retain the County or to revert to the old system.

The County will be established by Order-in-Council which will at the same time set the number of councillors—at any odd number not more than 11—and the electoral divisions of the County. Once established, and elected, the County Council will then take over the assets and liabilities of the authorities replaced; will choose a chairman from among its own number; and will appoint a secretary-treasurer. Committees of up to seven members are to be appointed annually, for general municipal affairs, for schools and for hospitals; the chairman of each committee will be designated by the Council; and in each case a majority of the committee must consist of elected councillors. The school and hospital committees are to have representatives from incorporated towns and villages and, if so desired by the Council, co-opted members. Each committee will be responsible for supervising its particular function, estimating the money required and spending the amount allocated, all of course subject to the over-riding authority of the Council which alone may enact by-laws, borrow money, and approve the whole budget.

Clearly the establishment of this all-purpose County Council is a great break with tradition. In Canada the Ryerson tradition is strong, that school boards should be separately elected and enjoy fiscal independence. The County Act turns away from this North American pattern, and brings local government more nearly in line with the British practice. The County Councils in Britain are similar all-purpose authorities, having held the responsibility for schools since 1902.

## II

**W**HY then, it may be asked, was this rather drastic step taken? The answer is not very clear, although no doubt there is a certain amount of friction in the working of the present system. For

example, since boundaries do not coincide, there may be some grumbling by tax payers about the variation in mill rates and facilities between different parts of a municipal district. Again, school trustees and municipal councillors may dispute over such matters as the sharing of the collections from tax arrears. Councillors may feel that trustees are preoccupied with education standards and indifferent to the rising mill rate, while trustees may retort that roads should not come before the education of the children. Councils are unquestionably in a weak bargaining position in face of the requisitioning powers of school boards, and almost certainly this fact, together with alarm at the rising mill rate, especially for schools, has played some part in inspiring this local government reform.

The provincial government in particular has for some time been worried over the disparity between the rising cost of education and other local services on the one hand, and the limited sources of local revenue on the other. The inadequacy of local revenue is only too clear to the government, which is under constant and heavy pressure from all sides to increase its grants-in-aid and other financial assistance to local authorities. Indeed, sometimes the pressure may be said to be indirectly generated by some departments of the government as these departments urge the local authorities to arise their standards of services. Yet paradoxically there is the spectacle of other branches of government urging upon the municipal districts a policy of caution in spending and borrowing. Provincial concern manifested itself also by the appointment in 1947 of the Judge Commission, to investigate and report on local taxation.

Although all this is true, it does not, of course, make the case for the County Act: some other methods of meeting the problems might have been tried instead. Boundary difficulties may be treated on their merits without a big overhaul of government units. Harmony between local authorities, too, may be sought by other means than the County Act, and has in fact been so attempted. Since 1946 the school board and the council may

each send an observing and non-voting member to meetings of the other body—thus promoting an understanding of each other's problems. Again, if a school board requisition is more than 20% higher than that of the preceding year, the council is protected by a right of appeal to a Commissioner appointed by the Minister of Municipal Affairs, who may order a reduction. (Out of 29 appeals heard in the last few years, only 8 resulted in a reduced requisition.)

The government seems to have felt however that piecemeal attacks upon the problem could give no lasting solution; that here was a chance to kill several birds with one stone—to eliminate local frictions, straighten out boundary difficulties, put other responsibility for local taxation more squarely upon one set of local shoulders and, incidentally perhaps, relieve some of the pressure upon the province for funds, and make it easier for the government to supervise the administration of local authorities. One thing is clear: the reform is not being introduced in response to public demand. Nor was it mentioned among the recommendations of the Judge Report, although the Report did stress the need for coterminous boundaries. To the government alone, and more particularly to the Ministry of Municipal Affairs, belongs the credit (or the blame) for initiating this bold and comprehensive experiment.

### III

**W**HAT advantages may be expected to flow from the County system? Among these commonly put forward is the prospect that the mill rate may be reduced. In all likelihood this is a false hope, and it is wrong to defend the County Act on this basis. The possible reduction in administrative costs is small, and in any case such costs are less than 5% of local government outlays. Similarly the savings which may be affected on interest rates are insignificant. It is true however that the County Council, a single elected body with local authority concentrated in its hands, would be better able to keep

the mill rate from rising if it *wished* to do so. Against this, there is not a great deal of evidence to show that school boards have behaved irresponsibly in requisitioning. The main school expenses are those for plant, upkeep and equipment, and above all for teachers' salaries. Most of these are fixed costs which cannot be reduced except by narrowing the curriculum and curtailing facilities, a step which would be opposed by the Department of Education, and probably by the public as well, while any attempt at salary reduction would be fought with all the collective strength of the Alberta Teachers' Association. There remains the faint possibility, but only a faint one, that the County system may act as a brake, and so keep the mill rate from rising as rapidly as it might otherwise do.

A better case can be made out for the Act on the ground that it improves the machinery of government. This has two aspects. From the point of view of the citizen, his local government will be simplified: he will be subject to only one election, and will deal with only one set of representatives and one set of officials for all local functions. Responsibility can thus be more clearly allocated for policies and taxation. The choices before him, being less dispersed, may be more clearly seen and understood, e.g., additional services versus higher taxation.

Whatever clarifies and simplifies government, and tends to stimulate the interest and participation of the citizen must, other things being equal, be regarded as desirable.

From the point of view of the single Council there is also a gain. There will be one authority to see that the various services are better co-ordinated; to weigh the competing claims of the local services for limited funds; to make the invidious decisions in cases where better roads may mean less money for welfare, or better schools may mean less for hospitals. To some extent this is a matter of philosophy. Those who have been accustomed to think of education as the preferred service may object to its being put on a plane of equality with the others. It is however less easy to defend the prior claim of

education nowadays, when the citizen has come to regard a greater number of government services as essential, and wants them all up to a high standard. But even with the schools under the jurisdiction of the County Council, along with other services, one expects education to be fully capable of standing up for its "rights": persons with a special concern for education will no doubt continue to run for election, while there will always be strong interests, Departmental and otherwise, to press for more and better education facilities.

#### IV

**T**HERE are some who will defend the County because it will unite the taxing and the spending authorities, whereas the existing practice violates a cardinal principle of public finance: that the body which spends should also be the body which taxes. There is something to this, but respect for ancient adage must be tempered with common sense, and it is generally unwise to make an absolute of a rough rule of thumb. This so-called canon is widely and inevitably disregarded today, as local authorities draw more and more of their income from the provincial government, and as the latter draws more extensively upon federal aid.

Among other advantages which may be expected are: that friction between local authorities will be largely eliminated and that boundary anomalies will be remedied (a reform that is in any case overdue), that there may be an improvement of the local civil service—particularly if the provincial government seizes the opportunity to give encouragement with plans for recruiting, pensions, grading, and training. Too often, now, elected persons act as chore boys and fumble inexpertly with trivial details at the expense of policy matters; details that are best left to officials, but which cannot be left to them unless they are of the right calibre. Improvement of the local civil service is needed all over Canada, and almost any step which aids such a purpose is to be approved.

An interesting feature of the Act is the provision for co-option to the committees. Again we have something strongly reminiscent of the committee system of British local authorities, whose practice of co-option has amply demonstrated its value. Properly used, co-option can turn out to a very useful method of bringing interested and qualified people into the machinery of government, and its use might well be extended not only by County Councils but also by other units of local government.

It would be a grave mistake to paint the County Act in colours too rosy. We may be sure that improved machinery will not guarantee good government, although it can help to achieve it. Some problems will still remain, such as the requisitioning upon town and village councils; while a few problems may be created as in the matter of representation of these bodies upon the County committees. In one respect too the Act takes a retrograde step. A property qualification is introduced for elective office, while at present an immediate relative of a property owner may run for office as a School Trustee. The trend in local government, as in all government, is away from property qualification which indeed is hardly defensible on any logic compatible with political democracy. It is the more surprising to see this restriction inserted since in the draft of the uniform City Charter all such property restrictions for the offices of mayors and councillors are abolished.

#### V

**T**HE Act came as something of a surprise to the public, and even to local government circles. For the most part it has had a bad press, although government spokesmen have put up a spirited defence. Criticism has been especially heavy from educational organisations, notably the Alberta Teachers' Association which has exerted strong influence against the Act, using all the recognized methods of applying political pressure. It may even be that the campaign has gone to such lengths as partly to defeat its own object by

arousing a certain amount of sympathy and public support for the government.

Objections of educationalists to the Act are based on a variety of arguments, which at bottom seem to stem from the fear that education, losing its preferred position among local services, may suffer financially. One is inclined to regard this fear as groundless, for reasons given earlier.

It is also argued that a local plebiscite ought to be held before a County is set up. The provincial government is on the whole right not to capitulate to this argument. The history of local government, at any rate in Alberta, is one of provincial initiative introducing reforms to a reluctant locality. By the constitution too, the province is wholly responsible for the municipalities and it should not shift that responsibility. Further, direct devices such as the plebiscite may be carried too far in a system of representative democracy: something which is no doubt fully realised by a provincial government which itself in 1937 struck a Recall Act from the statutes.

This is not to deny that plebiscites may occasionally have a part to play, still less is it to decry the important role of

local government. But local sovereignty is a myth that should be exploded; and one must object to any tendency on the part of local authorities to think of themselves as being in some kind of fictitious "federal" relationship with the province. For this and other reasons, it may be wise even to drop the plebiscite which is to be held at the end of four years. A representative government always has other ways of finding out the state of local opinion.

Two areas, one in the north and one in the south of the province, have already requested the County system and will thus be the first to experiment with County Councils. If these are successful, as they may well be, the system may be expected to spread, possibly in time beyond the borders of Alberta. In addition to setting up the all-purpose unit of local government the County Act may also have an effect upon provincial municipal relations, a subject nowadays of much study in all provinces. A great many people connected with local government will therefore watch with keen interest this pioneering venture in Alberta; and some of them will even wish it well.

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### *Milan, 1628—Second Year of the Scarcity*

Don Gonzalo . . . nominated a Council which he endowed with full authority to fix such price upon bread as could become current, thus doing justice to both parties. The deputies assembled . . . and, after a hundred bowings, compliments, preambles, sighs, whisperings, airy propositions and subterfuges, urged, by a necessity which all felt, to come to some determination, conscious that they were casting an important die, but aware that there was no other course to be taken, they at length agreed to augment the price of bread.

MANZONI, in "I Promessi Sposi".