

be in the neighbourhood of \$19,000,000. Among the counties, Compton, whilst probably the most flourishing and wealthy, has, in its issue of \$250,000 debentures, the largest liability. The city debts appear to be as follows:—

Montreal.....	\$10,488,000
Quebec .....	3,635,740
Three Rivers .....	165,000
Sherbrooke.....	155,000

In the Lower Provinces no official returns are made; but the civic debts are as follows:

St. John, N. B.....	\$939,164
Halifax.....	1,213,400

In Manitoba and British Columbia the debts of the capitals are:—

Winnipeg.....	\$250,000
Victoria, B. C.....	100,000

The rate of interest which municipal debentures usually carry is six per cent., but seven per cent. is not uncommon. Each municipality knows its own credit sufficiently well to be able, before an issue of debentures takes place, to judge whether it can float six per cents at a figure high enough to make the burden on the ratepayers lighter than if the issue was of seven per cents. It is a mere calculation of compound interest, and a consideration of the credit of the municipality and of what the existing value of money is. There are, however, these decided objections to the issue of seven per cents, that a presumption is at once raised in the public mind that the municipality in question cannot borrow at six per cent., except at a heavy rate of discount under par, and further, in this country, among small issues of debentures, which are necessarily unquoted on the stock exchange, seven per cents rarely rise above par however good the bonds may be, whilst in the case of six per cents the constant aim of sellers and holders is to get them up in value to par. It is better also for a municipality to borrow at six per cent. because as its bonds rise in public favour through the locality and its financial position becoming better known—and every locality should look forward to and aim at this result—any subsequent issues of debentures can be placed at the better

figures to which the bonds rise. The reluctance of the public to go beyond par would preclude this being effected in the case of seven per cents. The importance of this question of the rate of interest at which bonds should be issued is measured by the fact that the saving of the single one per cent. in the rate paid on the aggregate indebtedness of the Dominion, Provinces, and Municipalities, estimated at two hundred million dollars, would, taken at compound interest, be a gain at the end of twenty years, of the vast sum of \$44,000,000, an amount more than enough to extinguish the entire municipal debts of both Ontario and Quebec.

The rates at which both our Dominion and Provincial Governments, and our cities, can borrow in foreign markets are not as favourable as they might be. The Dominion Government debentures have greatly improved in value during the past few years, and the last issue of Quebec bonds was made at one per cent. better than the previous issue; but the credit of the country is still lower than that of most other dependencies of Great Britain. Thus, the last issue of Canadian Four per cents stood on August 30th at 92½, and Province of Quebec Fives at 100, whilst Victoria Fours were at 99¼, South Australian Fours at 96½, New South Wales Fours 98, Queensland Fours 93½, Natal Fours and one-half 98¼, Cape of Good Hope Fours and one-half 103¾, New Zealand Fives at 104¼, and Victoria Fives 110. The loans issued by the Province of Quebec, both in 1874 and 1876, have been taken up very slowly in London, whilst the recent Queensland loan was subscribed for three times over. It will be readily understood that one reason why the former stand relatively low is that the Province is not as yet well known on the money market. The Dominion has, however, until recently, been prosperous beyond measure, and were it not for influences which may be regarded as in a sense outside, and which yet have their associations with, the country's progress, its bonds should stand as well as those of any other colony or dependency of Great Britain. One of these influences is the financial embarrassments of our larger railways—a chronic complaint of the English investor. It is beyond question that the almost irreparable difficulties of the Grand Trunk Railway, extending as they have over nearly