

ing of the province." It was then discovered that a municipal corporation has no assets except the taxing power.

A settlement was made by which the municipalities undertook to pay (by debenture issue) \$1,500,000, and the province lost about \$10,500,000.

That this elaborate and disastrous scheme of "municipal ownership" should be the first of the kind recorded in history is worthy of investigation by the student. The American municipalities did not begin until after the close of the Civil War—and they had their bankruptcies.

THE PROVINCE'S CREDIT.

Even one defaulting municipality can seriously affect the credit of an entire province. As late as 1880 some of the wealthiest and most solvent counties, which had never been drawn into the municipal ownership bubble, had difficulty in borrowing upon debentures for legitimate local improvements.

Every municipality in Canada has a direct interest in guarding against legislation which creates an opening for financial disaster.

Credit is as necessary for the development of a new country as it is to the struggling and ambitious business man, or, indeed, to any capable man, requiring capital.