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SUPERLATIVES— AND MUNICIPAL LOANS.

The extraordinary interest taken by people abroad in Canadian affairs has its drawbacks, some of which are just now rather painfully apparent. To supply the insatiable demand for information about the Dominion, there has arisen in recent years a whole army of newspaper writers—amateur and professional—whose one object in life, whether knowledge of their subject be little or much, has apparently been the covering of as many reams of paper as possible with stories about Canada. Most of this stuff, good, bad or indifferent, has had one characteristic in common, the writers have cultivated the art of dealing in superlatives, to the verge of hysteria. When some of them discovered that it was a good move to become coldly critical instead of warmly appreciative, they took their style over with them, and in consequence Canada has been damned with as many superfluous superlatives during recent months as before it had been praised. A well balanced critical position with diction to correspond seems almost an impossibility.

This characteristic of dealing entirely in superlatives when Canada and Canadian affairs and developments are discussed has marked a good deal of the comment regarding the recent controversy *apropos* of the borrowing of Canadian municipalities. THE CHRONICLE has no intention of joining in that controversy; it is merely concerned here to point out the facts regarding Canadian municipal borrowings as it believes them to be.

In the first place, no one with any intimate knowledge of Canada is likely to impugn the fundamental position of Canadian municipal bonds as high-class securities. Their record is such as to commend them to shrewd judges desiring conservative investments. It is true that the borrowings of the Canadian municipalities have been very large, but their legitimate requirements have been and are very large also. They are adding thousands of new citizens to their population every year, and these new citizens have to be provided with the ordinary necessities of life in a modern civilized town. That fact in itself constitutes a cogent and far reaching reason for the heavy borrowings of the municipalities.

Admittedly the municipal financiers have made mistakes. They have here and there erred on the side of extravagance; they have sometimes refused to take expert financial advice; and their attitude on occasions has not been unlike that of the village worthy who regarded the parish pump as the centre of the universe. But these errors have never got beyond the rank of minor faults. They have not affected the fundamental soundness of Canadian municipal securities.

Some of our hysterical critics are now writing as if it were an offence on the part of Canadian municipalities that they obtained large quantities of funds at rates which in the present period of tight money seem ridiculous. The critics seem to forget that two people at least are necessary for the arrangement of a loan—the lender as well as the borrower—and that if the cities are to be blamed for "making hay while the sun shines," those who clamoured and fought for the privilege of lending the cities money at these cheap rates are equally blameworthy. The argument put forward by these critics is in fact an effective exemplification of a recent remark by Sir Edmund Walker that "London likes to blame when money is tight and praise when it is easy."

The simple fact is that Canadian municipalities, like other borrowers in Canada and all over the world, cannot sell their bonds so freely at the present time or at such cheap rates as in recent years, for the reason that the demand for capital has temporarily overtaken the supply. There is no reason to get either alarmed or excited about the fact. Probably, this period of tight money will be indirectly beneficial to the municipalities as it will be to individuals since it will enable extravagances to be pruned down and provide an opportunity for taking stock of the position. There is no reason to doubt that in due course, when the monetary tension has relaxed, we shall be able to get for municipal purposes, as well as for railway, industrial and commercial purposes as much money as is required.

Meantime the people who write and talk about Canada abroad—whether in the warmly appreciative or in the coldly critical vein—would confer a favor upon us by flinging away their stock of superlatives and writing soberly.