MUNICIPALITIES AND WAR BONDS.

Writing in the Canadian Municipal Journal, Mr. James Murray points out that the issuance of the next war bonds free of taxation is objectionable to municipalities apart altogether from the usually voiced claim that such bonds will provide an opportunity to those who have made excess profits out of munitions contracts to evade any future retroactive tariff by the simple process of investing the profits in war bonds.

Mr. Murray deals with the question rather from the municipal standpoint and makes out a strong case. So long as the Dominion government is raising revenue for purely war purposes it has a right to expect every other public body — provincial or municipal — to help by cutting down their borrowings to the lowest possible denomination, and as far as possible this has been carried out. On the other hand the government itself is under an obligation to those other bodies to help them buy the money necessary to "carry on" as cheaply as possible — or at least not to put any obstacles in the way. But that is precisely what the government has done and is about to do again, either unconsciously or otherwise. The issuance of the last Victory Loan tax free raised the price of money to such an extent that to-day no municipality can borrow under seven per cent, and in view of the new issue the price of money to civic administrations will go even higher. At the last meeting of the Union of Canadian Municipalities, Mayor Cater, of Brandon, suggested that the Dominion Government borrow for the municipalities. This seems a good suggestion, in view of conditions as they have been occasioned largely by the action of the Dominion in issuing tax free bonds. As against this, however, is the surrender of a certain amount of authority by the municipalities to the government in such circumstances. What is more feasible is the direct loaning to the municipalities of money by the government, without the abrogation of any authority by the former. There can be no doubt that the Dominion finance department has all it can do at present without taking over the burdens of municipalities, but there is a certain amount of responsibility involved by the action of the administration in the matter of the bonds. But, likewise, the finance minister is pursuing the course that his wide experience teaches him is best, and the suspicion that the government is furnishing a loop hole for profiteers is not entertained by any fair minded person. The problem is one that might profitably be discussed by representatives of the Canadian municipalities and the administration.—Ottawa Citizen.

MUNICIPAL FRATERNITY.

The town of Longueuil, Que., has just shown an example of that fraternal feeling which should exist between all municipalities. The adjoining town of Montreal South, which is quite ar municipal baby beside its ancient neighbour, has recently installed water works and drainage, but unfortunately the estimated cost has beeen considerably exceeded, and the proprietors hesitated at the heavy expense on a long intake, and a pumping plant, while the outlet for sewerage would be very costly. To help their neighbours, the Council of Longueuil has very generously agreed to supply Montreal South with water at a low cost, and also to permit the sewers to be connected with their main sewer.

Longueuil has been one of the regular attendants at the Conventions of the U. C. M., and Mayor Thurber, and Ald. D. T. Kyle have been present and taken part at several.

MUNICIPAL LEGISLATION—(Continued.)

law, to issue a serial or instalment bond and by so doing avoid the necessity of paying a sinking fund into the hands of the Government. To exercise this option may entail an unnecessary hardship as, in my opinion, a serial or instalment bond is not the best form of issue for comparatively small municipalities from the viewpoint of the price to be obtained. Experience, I think, will go to prove that an issue of from fifty thousand to one hundred thousand or even five hundred thousand dollars in serial or instalment form will not bring as good a price as a straight term bond would bring.

Yours truly,
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