SUPERVISION OF MUNICIPAL LOANS.

London "Economist" Urges Necessity for Precautions by an Over-riding Authority as in England—Want of Supervision Raises Rates—Nine Months' Municipal Issues in London in 1913 Double what they were for 1912.

That in the interests of Canadian ratepayers as well as of British investors the creation of an authority to supervise the borrowings of Canadian municipalities is required, is urged by the London *Economist*. That journal points out that during the first nine months of the current year, Canadian municipal borrowings in London aggregated £9,225,705, as compared with £4,301,360 in the first nine months of 1912, and £3,604,245 in the corresponding period of 1911, and suggests that the fact that there is no sort of supervision over these borrowings certainly goes against the borrowers and tends to raise the rate at which they are able to contract loans in London. The *Economist* regrets that the Ottawa Government exercises no general control over municipal finance. "If," says the *Economist*, "the Central Government would begin by tabulating and publishing the exact financial position of all Canadian municipalities, that alone would act as a very valuable check, though it would by no means put the Canadian municipality under the safeguards which apply to our own towns in the United Kingdom. In England, for instance, loans can be obtained by urban authorities by a provisional order of the Local Government Board without the costly formality of a private Act. But the financial position must be made perfectly clear; so must the purposes on which the money borrowed will be spent; the terms of repayment must be in accordance with the law, and when it comes to an issue of stock the minimum price is fixed by the Local Government Board. In short, the borrowings of local authorities in England are not only circumscribed by law, but are watched and controlled by a central body, whose honesty is above suspicion, and whose competence will not be seriously questioned. All local loans in England have to be obtained either by Act of Parliament, or by a provisional order of the Local Government Board. In both cases there is close supervision by the Board. If these safeguards are necessary in an old and settled country where ratepayers are strongly opposed to extravagance, they are doubly desirable in a new country full of pushful communities which are eager to develop as quickly as possible without much regard to the expense so long as the money is not raised by taxation."

ABUNDANCE OF MONEY FOR MORTGAGE LOANS.

But a Higher Rate of Interest has to be Paid—Credit Foncier has Issued $12,000,000 Debentures this Year.

"There is an abundance of money for mortgage loans in Canada," said Mr. Chevalier, of Montreal, general manager of the Credit Foncier F. C., in Edmonton the other day. "But," he added, "the borrower must pay a higher rate of interest than formerly. This condition is general." The rate in Europe now is 5 per cent., as against 4 per cent. until recently, and there is nothing to indicate that the price will be lower in the near future, though Mr. Chevalier predicted that the marketing of the exceptionally large crop of grain in the prairie provinces is bound to exercise a salutary influence in making local money conditions much easier.

Mr. Chevalier said that his company had experienced no difficulty in obtaining large sums of money for mortgage purposes in Canada. The Credit Foncier issued debentures for $7,000,000 last January and again in September a further issue of $5,000,000 was successfully floated, making a total of $12,000,000 borrowed for mortgage advances during the first nine months of 1913. The company paid a higher rate of interest than formerly, but has not so far increased the rate charged to its clients.

"Our total investments in Canada amount to more than $50,000,000." Mr. Chevalier continued, "and of that total $4,115,000 has been loaned on rural and city properties in Alberta during the last seven years. The money scarcity has not caused any alteration in the policy of the company, and no halt has been called in its lending operations."

WHERE BRITISH CAPITAL IS GOING THIS YEAR.

Of the public issues of new capital made in London during the first nine months of the current year more than one-sixth were for Canadian borrowers and enterprises. The total issues of the nine months are £150,321,400, Canadian issues representing £27,393,200, or more than half the amount sent to the everseas parts of the Empire. The following table compiled by the London *Economist* shows the destination of this new capital in detail:—

	First Nine Months of Year 1911.	First Nine Months of Year 1912.	First Nine Months of Year 1913.
	£	£	£
United Kingdom total	22,104,300	36,533,406	25,595,200
British Possessions—			
Australasia	3,326,900	6,442,200	17,558,900
Canadian Dominion	22,479,400	17,845,300	27,393,200
India and Ceylon	5,096,800	3,275,800	3,556,000
South Africa	3,980,900	3,812,600	6,110,300
Other British Poss'ns.	4,549,500	4,125,900	2,329,600
	39,433,500	35,501,800	56,948,000
Foreign Countries—			
Austria-Hungary	1,583,600	Nil	57,200
Bulgaria	215,900	Nil	Nil
Denmark	Nil	2,425,000	Nil
Finland	970,000	Nil	Nil
France	234,400	692,200	Nil
Germany and Poss'ns.	202,000	25,800	Nil
Norway	3,008,500	150,000	2,089,700
Russia	2,316,000	10,490,400	6,524,600
Turkey	Nil	Nil	Nil
Greece	686,800	Nil	Nil
Other European countries	674,500	1,062,700	13,200
Dutch East Indies	454,500	114,500	40,000
Argentine	8,355,000	13,897,200	10,115,500
Brazil	13,108,100	12,565,300	15,093,400
Central America	192,000	1,016,700	414,900
Chili	2,415,700	2,252 200	2,676,900
Cuba	6,501,300	838,000	891,700
Mexico	1,127,800	2,366,500	10,641,500
Other South American Republics	403,000	Nil	Nil
Philippine Islands	Nil	Nil	712,500
United States	19,528,200	21,089,500	11,090,300
China	7,434,500	5,950,000	6,883,900
Egypt	200,900	828,800	250,000
Japan	Nil	3,230,800	Nil
Persia	1,206,200	Nil	Nil
Other foreign countries	41,600	....	282,800
Total	70,860,500	78,995,500	67,778,200
Total for first nine months	132,398,300	151,030,700	150,321,400