

standing to the credit of each issue of Sinking Fund Debentures.

I have no hesitation whatever in saying that if such a course were followed, a municipality's securities, when offered for sale, would be more highly regarded by investors and financial houses, and, consequently, would command a higher price. (The obtaining of an additional one point in the sale of one municipality's securities for one year would represent a saving of more than \$100,000). Moreover, if such reports as those referred to were available, the tax payer would be enabled to get an intelligent conception of the object and status of the Fund, and thoroughly appreciate its functions. At the present time, owing, it is believed, to the meagre information available of the operation of municipal Sinking Funds, the taxpayer has a very superficial knowledge of what the Fund is intended to do, and what its true position is. The whole subject is more or less shrouded in mystery and suspicion, and I am convinced that this condition is chiefly due to the failure to present the whole facts to the taxpayer in a simple and concise form from year to year.

In conclusion, let me repeat that in my humble judgment there is no branch of municipal finance in which officials, boards of control, councils and taxpayers should be more concerned and informed about than that which treats with the method of the repayment of debts, the rate of interest which these debts should carry, and the proper administration of Sinking Funds. The fact that the municipal debts of this Province now aggregate, approximately, \$175,000,000, that these debts run in many cases for a great number of years, and that time and interest are most potent factors, it is submitted that practices which are now regarded as uneconomical and obsolete should be revised and give way to those which are the most efficient, the most effective and the most economical.

The present Ontario Municipal Act has given much satisfaction and, generally speaking, it is highly regarded. It will, however, be recognized that changing conditions and new light on old problems will suggest from time to time amendments, and it is, therefore, believed that the following matters, among others, are worthy of consideration when the Act is under revision, which no doubt it will be at the next Session of the Legislature:—

- 1.—Limitation of the borrowing powers of municipalities.
- 2.—Improvement in the method of repayment of loans.
- 3.—Prohibiting the raising of loans by way of permanent bonds to liquidate discount on bonds sold.
- 4.—Prohibiting the sale of bonds at an abnormal discount.
- 5.—Providing that the Provincial Municipal Department shall lay down rules for the administration of sinking funds; that the proper officer shall be required to see that such rules are adhered to and carried out; that the funds are efficiently administered, that they are properly invested and are sufficient to liquidate the debts for which they are being accumulated.

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