to make up the deficiency caused by the maladministration of its predecessors the burden is spread over a number of years.

To our mind such a scheme is an excellent one and deserves every encouragement. It eliminates at once the idea that municipal debts are permanent. It brings home to the councils the state of their sinking funds and at the same time encourages them to make a start to replenish them. One of the curses of municipal financing has been the ease with which money could be borrowed at low rates of interest. The day of easy money is over and the sooner that the councils realize that they can no longer borrow at 4 per cent. the better will they appreciate the necessity of bringing up their old sinking funds to date and thus be able to retire the low interest bonds at maturity. Supposing every one of the outstanding municipal debts of Quebec could be retired at maturity without re-borrowing, what a tremendous saving it would mean to the province and the municipalities. The saving would be the difference between the old rate of interest—four per cent—and what would be the present rate of interest—seven per cent—if the money had to be borrowed to-day. Taking the bonded municipal as $167,000,000 it would mean a saving of over $5,000,000 per year, an amount to build sufficient utilities to make municipal Quebec into a veritable paridise. These figures are large, but they apply in proportion to each municipality, and any system that would even help to make such a position possible such as that worked out by the Quebec Savings and Trust Company should receive a close investigation by each council.

BRANDON'S FINANCES IN GOOD ORDER.

In a letter to a financial contemporary City Treasurer Sykes of Brandon says in part:—

"There was and is no foundation for the statement that Brandon, apart from any other city of the West, is facing a serious financial crisis. It is extremely unfortunate that the confidence of the investing public in Brandon's administration should be sacrificed to the desire for press sensationalism," he adds, referring to the unwarranted statement about Brandon's financial position which recently appeared very prominently in a Winnipeg daily.

"An examination of our balance sheet alone will refute any suggestion of unsoundness. The sinking fund invested in war loan bonds is nearing the million dollars, and is more than one-third of our debenture indebtedness. We have over three milion dollars of capital assets in addition. It is true, in company with practically all Canadian cities and towns, we find it difficult to liquidate the taxes receivable, and this constitutes a menace which must not be overlooked, but which is less pronounced in Brandon than with most of our more unfortunate neighbors.

"Our relations with the Imperial Bank of Canada have been most cordial, and funds to meet our liabilities made necessary by the delayed payment of taxes, furnished without hesitation.

Through the increase of its sinking fund, the net debenture debt of Brandon is steadily dwindling. At the end of 1917, the net debt was down to $2,313,622. The sinking fund reserves amount to $814,168. Of this amount $715,712 is invested, the balance being in the form of cash.

Including reserves for depreciation of capital assets and loans to be repaid from sale of debentures, capital liabilities amount to $2,379,783. As the capital assets total $3,751,616, of which $2,764,255 are in structures and other improvements, there is a capital surplus of $1,371,893.

Current assets aggregate $672,243, of which the principal items are revenues and accounts receivable, totalling $411,000. Against this there stand current liabilities and reserves of $745,626. Capital cash reserves are short by $7,755, leaving a deficit on current account of $65,627. Current liabilities include loans to be repaid from current revenues amounting to $440,656, while suzstantial reserves are allowed for uncollectable taxes, interest on funded debt accrued but not due, new construction and depreciation.