

valuation (which assessment may be admittedly high), and the net debt per capita is also large. He compares these figures to cities in the United States where the total debt and net debt average much lower. In fact, many states have debt limitations of 5 per cent.

"It would strengthen the credit of the municipalities in the Dominion of Canada if some uniform laws be passed by the various provinces which would be a radical modification in many ways of the present laws. Debt limitations of 20 per cent. of assessed valuation which appear in many of the provinces is too wide a latitude in the debt making power of cities. These limits should be reduced to a much lower amount, especially when there are exemptions for various issues to this limitation.

"While the cities have a debt limitation, they are enabled to go to the provincial government and get special acts passed authorizing them to create debt outside the debt limitations for purposes such as waterworks, street railways, electric lighting, etc. This enables them to create a large percentage of debt when added to the amount of the statutory limitations."

The question of municipal assessment should have the serious consideration of Canadian municipalities. That would be entirely in the best interests of the municipalities.

Mr. Laurence Rosewald, whose presence in Canada was noted by *The Monetary Times* recently, again has fallen foul of the authorities and was arrested in Toronto last week on a charge of obtaining about \$2,000 by worthless cheques.

FARMERS AND FINANCE

Often it has been said that mortgage loans in Ontario are becoming scarce because many well-to-do farmers are lending their neighbors money when required. This assertion is confirmed by an inquiry made by Hon. J. S. Duff, minister of agriculture for Ontario, the results of which have recently been published. Information was secured from thirty-seven different centres in the province. It was found that about 45 per cent. of the farms in Ontario are mortgaged to some extent, and that one-third would be a fair estimate of the amount which the mortgage represents to the total value of the property. This means that mortgages against farm property in the province represent only about 15 per cent. of the total value of farm property, which must be taken as a very encouraging sign. Moreover, a considerable percentage of these mortgages are held by farmers. Opinions were also unanimous that mortgages are steadily decreasing. Practically every county reported that payments were being kept up very promptly and a large number of mortgages were being wiped off each year. In many cases it was pointed out that mortgages, while they are frequently taken as a barometer of prosperity, are not altogether an unhealthy sign, as many are placed in order to secure money to extend the land holdings, erect buildings, plant out orchards, put in under-drainage, or effect other improvements which were in the nature of investment.

Mortgages had been placed on farms in Ontario to raise money for speculation in Western real estate, it was discovered in a few cases. There are indications that a fairly large sum of money of Ontario farmers has been used for this purpose and has not brought the anticipated returns. The Ontario farmer is not alone in his trouble, and speculation in western real estate is not the only geographical sinner.

According to Mr. Duff's investigation, there is no doubt that the deposits of farmers have increased materially in recent years. In one county the bankers estimated that the deposits had increased from 20 per cent. to 30 per cent. in the last few years. In another county it was estimated that 70 per cent. to 90 per cent. of the money deposited in local banks was deposited by the farmers. Another county estimated that 75 per cent. of the farmers had savings running from \$700 to \$12,000 each. As to the total amount of deposits of farmers' money, only a general estimate can, of course, be given. One county estimated that between three and four million dollars of farmers' money was deposited in the local branch banks, while other estimates ranged from two to five million dollars.

Under these circumstances it would seem safe to estimate the total amount of farmers' deposits in rural Ontario at \$100,000,000 for the entire province. While this may appear to be a large figure, it should be remembered that the aggregate farm wealth of Ontario, including land, buildings, implements and live stock, is placed at \$1,405,950,940 by the Bureau of Industries report, and that a very large amount is required as a working capital in conducting the farm operations on a plant which represents such a large investment. This would only mean an average of about \$600 per farm, but of course at the same time it is recognized that all the surplus money of the farmers is not deposited in the banks, although unquestionably a considerable proportion of it is.

The relations of banks, mortgage companies and farmers have been discussed considerably of late. The Ontario farmer, generally speaking, seems to be in a fortunate position. His demand for loans is not heavy. The banks, as is known, do not loan money for the purchase of land, but the opinion is general that no farmer who enjoyed a good reputation and could give reasonable security had any difficulty in securing money needed to finance his farm operations, which was the chief purpose for which loans were sought. The rate of interest charged varied from 5½ per cent. on long-time loans to 7 per cent. on short-time loans, with occasionally rates of 8 per cent. and 10 per cent. in some of the newer districts. These figures were collected at the time when the money stringency was at its height and money generally was scarce, so that they would not represent normal conditions. In every instance it appeared that the farmers were able to secure financial accommodation on the same terms and basis as those engaged in other occupations.

ABBREVIATION

Alberta is the first province to object to being abbreviated. For a long time, it has been dubbed Alta. when time pressed. There is no reason why all the provinces should not spell themselves in full and get other people to do it too.

Abbreviation is too common in these days. We abbreviate our grammar, speech, clothes, politeness, meals, sleep, commonsense, letter writing and everything else. It is the result of the cult of hustle. Hustle is only an illusion; it is not work. Let us spell and do things in full measure. P.E.I., N.S., N.B., Que., Ont., Man., Sask. and B.C. should follow the good example of Alberta.

The Calgary oil boom is a very good thing for the investor—to leave alone.