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RESTRICTIONS ON MUNICIPAL BORROWING.

I think the bankers, as a whole, know more about the shortcomings of our cities than anybody else. While in Ontario most of the towns are under honest administration, they are sometimes managed by men of little experience. In the Northwest the difficulty has been much greater, and promises to continue to be so in the future, unless some co-operation between the provinces and the municipalities, under the Dominion's supreme care and direction, can be brought about. Some towns are established up there by men who carefully choose their location and where the conditions are good. Towns are also established by people of hopeful and adventurous dispositions, who go into it for the benefit of their own particular pockets. And then the town-planning of which we are now speaking begins and over-runs itself. If it could be curtailed, instead of being encouraged, in certain respects, it would be a good thing for the Northwest. You cannot expect men of the character of the usual founders of the Northwest towns, hopeful and speculative, to be very good mayors and councillors. They are too hopeful, and, if they are so themselves, they want to make others hopeful. In some cases, for instance, local improvement debentures run for thirty years, the improvements crumbling away in ten, and posterity paying the bill. Canadians, of course, do not care to have their liberties in any way restricted. The idea of adopting the system in force in England relating to local loans, to which Sir Frederick Taylor refers, would be irksome to them at first. If, however, the system could be generally introduced in some form in Canada it would be of immense benefit. Even before the war the people had a year or so of depression, and to some extent realized the evils of the freedom under which their towns had borrowed. I think they might eventually come to some agreement by which they would submit to what the English cities, the small cities at all events, submit to, the supervision and sanction by some kind of local board, of all their borrowings. The Local Government Board in England takes great care to see that when a town wishes to borrow it does so for good reasons, and that it is able to pay for its borrowing within a reasonable time. They send inspectors to it, who, if necessary, examine all the conditions from which the demand arises. In England, of course, the borrowing is from the Government itself, through the Local Government Board. Here I do not suppose the Provinces, with all the guarantees they have already given to railways, could guarantee all their municipal bonds or lend the money to the municipalities, but they could, at all events, give their open sanction to the issuing of bonds, and by that means facilitate the sale of them, and for a better price. That would reconcile people, as much as anything else, to such a system as I understand has been advocated for Ontario. As a matter of fact I believe that some of the western provinces have already begun legislating in this direction.—A. G. Parker (Bank of Montreal), at Civic Employment League.

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