

Among the Provinces, since their confederation, Quebec has been the only borrower. Its loans of 1874 and 1876 aggregate \$8,030,000, carry 5 per cent. interest, and, so far as issued by its negotiators, are held entirely in Great Britain.

It is difficult to even approximate the municipal indebtedness of the Dominion. In two of the Provinces annual returns are required to be furnished to the Government, showing the indebtedness, by debenture or otherwise, of each city, county, township, and town; whilst in the other Provinces these returns do not appear to be provided for. Only in Ontario have the returns been published. The latest accessible reports for that Province are those for 1872, and in these are some facts of considerable interest when compared with the estimated indebtedness of the present time. One noticeable feature is the large increase in the liabilities of Ontario municipalities during the past three years. This increase has taken place chiefly through affording aid in railway construction; and it is suggestive, judging by the railway projects which have been aided and yet have fallen through, whether the municipalities are not sometimes too easily induced to vote bonuses to, and take stock in, railways. It is doubtful if sufficient consideration is always given to the question whether these railways have such financial resources as will ensure their being completed to the anticipated termini, and whether they are of the alleged advantage to the municipalities through which they pass, and are not, perhaps, only depreciating the value of other lines which run through or near the same districts, by taking away from or sharing with them a traffic not generally large enough for one railway. In 1869 the municipal indebtedness of Ontario is stated by the official reports to have been \$15,845,520, including the old municipal loan fund debts. In 1872 this had been reduced to \$14,583,800. In the absence of official returns it is difficult to approximate the indebtedness at the present time; but, taking into account the re-arrangement of the municipal loan fund debt, and giving credit for the respective amounts received by certain municipalities under the same Act, which gave effect to that re-arrangement—a considerable part of which amounts were probably devoted to the reduction of their indebtedness—and further, taking into

consideration the bonuses which have been voted to railways, and which either have been or will, in all probability, soon have to be paid, the municipal indebtedness of Ontario now probably exceeds \$19,500,000, or an increase of \$5,000,000, or thirty-four per cent. in the course of four years. With regard to this increase, it is to be observed that a considerable portion of the railway bonuses paid during that period had been voted by the municipalities previously. These railway bonuses gave rise to a large portion of the new issues of debentures, and the extent to which municipal indebtedness has increased from this source may be judged from the fact that, since the Confederation Act took effect in 1867, the bonuses voted to railways in Ontario by municipalities alone, and quite irrespective of Government grants, have amounted to \$6,465,980. Pending the completion of some of the lines, a portion of this amount has not yet been paid. Another feature in this enhanced indebtedness is, that some of the cities and towns of Ontario have added considerably to their liabilities, among others, Toronto, Ottawa, and St. Catharines. In each of these particular instances, however, the greater portion of the increased debt has been incurred on account of water-works, which of themselves form a reproductive asset. The aggregate debenture debts of the cities in 1876 appear to be as follows:—

Toronto.....	\$5,311,810
Hamilton	2,596,049
Ottawa	1,988,122
London.....	1,150,788
Kingston. ...	470,000

The three cities of Toronto, Hamilton, and Ottawa have thus a united liability of more than one half of the whole municipal debt of Ontario. Some of the counties have, however, also considerable debts. Among them, Huron, Bruce, Middlesex, and Perth have debentures outstanding—chiefly issued in aid of railway construction—which aggregate \$2,748,000.

In the Province of Quebec it is not so easy to arrive at approximate returns. The Municipal Loan Fund debt amounts to \$2,399,465; and, taking into account the bonuses given to railways and the known liabilities of the cities and towns, the municipal debt of the Province would appear to