

The average yield for municipals was 4.73 per cent. as compared with 4.77 per cent. in the case of foreign and colonial government securities; 5.22 per cent., Indian, colonial and foreign ry.; 5.5 per cent., industrial and commercial bonds and debentures. If colonial and foreign governments are separately distinguished, colonial governments raised their capital at an average rate of 4.15 per cent., as against the 5.31 per cent. of foreign governments.

Hints to Municipal Borrowers.

The credit of Canadian municipalities has not been impaired by the heavy borrowing. Their obligations must, as has been pointed out previously, be put out at a price that conforms closely to the British investor's conception of an adequate interest return.

Comparatively little criticism is heard regarding Canadian municipal issues. They are large and frequent, but the rapid municipal development of the country makes such heavy financing necessary, especially so in view of the influx of population to Canada every year from other countries.

There are certain points, however, which Canada's towns and cities must bear in mind in order to maintain their credit. Sir Edmund Walker not long ago recalled the fact that occasionally civic authorities, which have refused to consult the banks, find themselves embarrassed as a result. Improvements which may be wise and much needed must be postponed sometimes. The municipalities, he said, should consider whether during periods of such rapid expansion the tax rate should not be largely increased. In the days of western expansion in the United States 25 and 30 mills on a fairly high valuation of property were not uncommon rates. Again, should we not pay for local improvements in a far shorter time than

we do? The western cities of the United States make their local improvements by the issue of short-term securities the average life of which is usually not more than five years. Such securities often carry six per cent. interest and do not appeal to the same class of investor as do long-term municipal debentures. We can easily see the bad effect on the credit of our municipalities of adding the heavy cost of local improvements, spread over long terms, to the ordinary general debt. Such a system as that followed in the United States would probably not find favor with the sub-division promoter because it would be a powerful check on all speculative real estate schemes.

Net Debt and Sinking Funds.

Writing in *The Monetary Times Annual*, 1914, of the standing of Canadian municipals, Mr. W. E. McGregor, a New York bond expert, said that the net debt of many Canadian municipalities is too high. He added:—

"It would strengthen the credit of the municipalities in 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."

CANADIAN MUNICIPAL FLOTATIONS IN LONDON, 1907-1913

TOWN	1907	1908	1909	1910	1911	1912	1913	TOTAL
	£	£	£	£	£	£	£	£
*Quebec.....		113,921			215,700		400,600	808,221
Winnipeg.....	327,642	1,500,000	500,000	500,000	900,000	960,000	1,440,000	6,127,642
Regina.....	111,000	113,700				117,400	553,900	989,600
Edmonton.....	139,400	187,400	187,300	288,000	302,000	595,000	1,968,700	3,667,800
Vancouver.....	244,900	405,000	286,400	453,600	579,000	991,900	971,200	3,932,000
Montreal.....		1,000,000	400,000	1,123,800			4,368,900	6,892,700
Calgary.....		133,000	124,800	325,400	414,700	900,000		1,897,900
Victoria.....		159,800			117,500	308,623	482,870	1,064,793
Sherbrooke.....		102,700						102,700
St. John.....		115,000						115,000
Ottawa.....			156,900				189,600	346,500
Toronto.....			394,100				2,275,000	2,669,100
Westmount.....					400,000			500,000
Fort William.....			60,000	105,100				165,100
Matsonneuve.....					879,000		187,600	1,066,600
Saskatoon.....		100,000		88,600		629,726	169,700	988,026
Moose Jaw.....				101,300	89,200	257,600		448,100
Port Arthur.....					110,700		415,700	526,400
Hamilton.....					204,100			204,100
South Vancouver.....					310,239			310,239
Burnaby.....					118,300			118,300
New Westminster.....					120,600	357,600		478,200
North Vancouver.....					130,500	126,100	96,900	353,500
Point Grey.....					241,470			241,470
Lethbridge.....					90,740	128,100		218,840
Prince Albert.....							302,700	302,700
North Battleford.....							103,100	103,100
	£822,942	£3,930,521	£2,109,500	£3,079,400	£5,323,749	£5,372,049	£13,926,470	£34,642,631

* Quebec City floated an issue of £78,000 in London in 1905. There were no Canadian municipal issues in 1906.