

The Municipal World

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ST. THOMAS, JULY 1, 1902.

The village of Alexandria is seeking incorporation as a town.

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Mr. R. J. Fletcher, of Barrie, has been appointed clerk of the county of Simcoe, to succeed Mr. R. T. Banting, deceased.

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The electors of the town of Welland have passed a by-law exempting the Canadian Steel Co. from taxation for twenty years.

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From Germany comes the statement: "It depends on the state of roads to improve the soil, to put to profit the forests, mines and industrial plants."

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Under municipal ownership, the water works system of Berlin has proved to be an unqualified success, and this should lead the property owners to take over the lighting plants of the town and operate them.—News-Record.

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A board of county judges, composed of county judges McDougall, of Toronto, McGibbon, Brampton, and McCrimmon, Whitby, in the case of re Toronto Railway Company and the city of Toronto, some time ago, held that, under the Assessment Act, the trolley cars of the company were assessable as part of or attached to the real estate of the company, applying the principle laid down in the case of the Bank of Montreal vs. Kirkpatrick, (2, O. L. R., 113.) The Toronto Railway Company appealed from this decision to the Court of Appeal for Ontario, and on Saturday this court handed out its decision, dismissing the company's appeal with costs, and following its own decision in the case cited.

Municipal Debentures and the Money Market.

By Messrs. G. A. Stimson & Co., Debenture Brokers.

The relationship of the debenture and money market is very close, and municipal officers generally watch with interest the course followed in these matters. A year ago it was rather expected, especially if the war came to a close, that money conditions would be slightly more favorable, and municipal securities advance, correspondingly in value. This, however, has not been realized. The fact is cessation of war operations was fully discounted long before the declaration of peace, and money rates have therefore continued, with the exception of a few ups and downs, due to speculative operations on much the same basis as was recorded for last year.

The English money situation will always have a certain bearing upon Canada, and it is more effective in our interests than that of the American market. The money in England has been absorbed largely in the borrowings for war purposes, and also it is going freely into the development and restoration of business in South Africa. This, in addition to the local demands, which have been held back pending favorable opportunities to place them, will, we think, keep the English money market for some time to come in its present condition. We do not look for any special demand for Canadian securities, there for at least some time, owing to the above mentioned situation. So far as Canada is concerned it was thought that our commercial activity had reached the top of the hill last year. It is now a question if the business of this year will not exceed that of last, thus demonstrating that the top of this commercial wave is not yet at hand. There has never been perhaps in the history of our country such an inrush of settlers as is now taking place in Manitoba and the Northwest, and the extra demands by this large increase will maintain business and commercial operations in the East to their full capacity. Should the present favorable crop outlook continue and a similar result be obtained to that of last year, it is hard to estimate what effect such accumulation of surplus wealth will have. It is not likely to act otherwise than favorably upon all business, and therefore for another year at least, we feel safe in counting upon equally good times. Good times, however, are not to the advantage of the municipalities obtaining better prices for their debentures. It is in good times that the investor has many more and attractive opportunities to invest his surplus, and owing to success, he is willing to take a little more risk for the sake of a greater return. Debentures sell at the best figures when other classes of investment are uncertain and times generally bad. We think, however, that the municipality should be willing to accept the proposition as it now stands, because the slight difference in value as to

their debentures is not for a moment to be considered as comparing with the wonderful advantages to the country at large during the prosperous conditions. Since the last low interest rates, which prevailed for municipal securities, there have been a number of changes relating to investment, which will, to our minds effect largely the value of such securities. We refer more particularly to the extended privileges afforded by parliament to large monetary institutions for investment of their funds. The range now covered in this particular is very extensive, including, as it does almost every well established class of trade. The stability and earning capacity of our leading lines of railway and industrial enterprises will always keep them a favorite with investors, owing to better returns afforded thereby. The draft made upon investment funds generally will always effect the value of municipal securities, and we doubt very much if the municipalities will obtain the former favorable prices for their debentures for some little time to come.

We find investors are paying the same careful attention to the municipalities financial statement. They also pay some regard to the tax-rate, and to its proportion for schools debt and running expenses. There is little objection made to a town or municipality providing water, sewage system, electric light and gas for citizens, especially where it is shown that such operations are self sustaining. The favorable view accepted regarding such undertakings is encouraged and sustained to a certain extent by the opinion held in general that public utilities can be successfully administered by the municipalities. This is particularly so as regards waterworks. We also find some expressions to the effect that debentures for electric light plants should not extend beyond twenty years, because such a plant, owing to its very nature is not as durable and permanent as a waterworks system, and is more subject to machinery improvement. The action taken by the different municipalities in putting down permanent sidewalks and building permanent roadways is well thought of. Judging from the conditions as they at present exist, and the chances for the future, we would not suggest that the towns in Ontario issue their bonds at a less rate than four per cent. and we think they will find prices for the present year on a par with the past one.

Mr. John Haggan, clerk of the township of Malahide, has resigned and Mr. M. E. Lyon of the town of Aylmer has been appointed to succeed him.

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Mr. John R. Peckham, who was formerly treasurer of Niagara Falls, was short in his accounts for 1897, \$3,200. He was recently extradited from the United States, and was last month committed, by magistrate Logan, for trial at the next court of competent jurisdiction.