

curities payable from taxes and those dependent upon the successful and profitable operation of privately owned enterprises. This has resulted in a widespread increase in the interest of the investing public in municipal bonds to the end that it is comparatively easy for municipalities to borrow on advantageous terms such funds as they need. Authorization of new loans has not appeared in any great quantity as yet, most of the financing being for the purpose of funding temporary obligations or of paying for work actually contracted for before August 1. . . . Corporate financing will suffer and be obliged to pay a higher rate for the money it must have. Thus in turn will the municipal buyer be attracted to other home securities he would buy, if the terms are sufficiently attractive, and it is likely that the municipalities will find it necessary to pay a correspondingly higher rate for their borrowing."

Not so Canada, for when the war is over she will be more fortunate for the reason that the British market, which is now closed against her, will be opened with all its vast accumulations of idle money, which must be invested at a profit to pay for the big war debt, and Canadian municipals have always been popular with the British investor. There is no doubt that many of the American houses, which will have blocks of Canadian securities at the end of the war, will take advantage of the British regard for Canadian offerings, to sell in England for a good profit. To students of municipal conditions in Canada, Mr. Beebe's article will appeal, as the reasons he gives why American municipals are popular—which, summed up in one sentence, means "good returns on safe security," apply with equal force to Canadian municipals, because of, to again quote Mr. Beebe:—

"A realization that can be marketed under unfavorable financial conditions as well or better than other forms of property.

"The enlightenment which has come in recent years on the fundamental weaknesses of all private or corporate securities as compared with the fundamental strength of securities payable by the taxing power.

"The relatively good income which may now be had from an investment in this class of security.

"The growing scope of municipal functions insures a steady supply of all grades of municipal bonds.

"The steadily improving laws governing the issuance and payment of public debts."

FINANCIAL MEN TO ASSIST CIVIC HEADS.

According to the London Advertiser "Mayor Stevenson proposes to make a radical change in conducting the financial policy of the city. He will arrange for the formation of a special advisory board of well known city financiers to assist the aldermen and controllers in devising ways and means of obtaining the best results to the city in the sale of all bond issues. More care and attention is being devoted to the city's financial department than ever before, and the present administration is determined that every nickel's worth of value that can accrue to the city through proper handling of bond issues will be secured.

The mayor will change the financial policy from a one-man management to that of careful management, with the advantage of every scrap of advice and suggestion that can be made by men well versed in financial matters; men who are the heads of financial institutions in this city, and who are, therefore, competent to judge and to advise as to the best means available.

This innovation on the part of London's civic authorities will be watched with interest, as it was in this city that last year the system of selling debentures by options instead of the ordinary tenders was adopted which does not seem to have worked out very well, if the lower prices secured for the city's bonds are any criterion.

CURBING OF MUNICIPAL BORROWINGS.

In the Ontario Legislature last month a bill—copy of which we published in last month's Journal—was introduced to limit the borrowing powers of cities with a population of 10,000 and over to \$200, per head, with a population of between 2,000 and 10,000 to \$100, per head, and with municipalities with less population to \$100 per head. The measure, which was allowed to pass to the Committee stage, was thrown out, evidently because the legislators had had no time to consult their constituencies. There is no doubt that when the bill is brought up again, it will receive better consideration for the reason that the borrowing powers of Canadian municipalities should be curbed, but until the municipalities themselves see the advantage no legislature dare pass such a measure.—A special article on this subject will appear next month.

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