

dents of states other than Pennsylvania, by charitable institutions, mutual insurance and savings companies, Pennsylvania corporations that pay a tax on their capital stock, or certain other owners, they are exempt, and the city pays no tax on them.

If they are owned by such "owners of invested capital" as are subject to the state tax of four mills on the dollar (.4 per cent) they are not exempt, and the city pays the tax to the state—for the city has agreed to pay such taxes. (It is this agreement on the part of the city that gives the bonds their so-called "tax-exempt" designation.)

Assuming, for the present, that the other factors are non-existent: If the bonds are owned by holders that are not subject to the state tax, the actual yearly cost to the city is 3.87 per cent — the same as the net yield to the investor. But, if they are owned by holders that are subject to the state tax the actual yearly cost to the city is 4.257 per cent — one-tenth more than in the other case.

The actual yearly cost to the city may be as low as 3.87 per cent or as high at 4.257 per cent — a possible difference of .387 per cent — \$4,000 on each \$1,000,000 par value of bonds.

Allowing that one-third of the bonds will be owned by holders that are not subject to the state tax — a condition that is perhaps as likely as any other — the actual yearly cost to the city will be 4.128 per cent (the 3.87 per cent, plus two-thirds of one-tenth of same).

But the amount on which the city will have to pay the state tax will vary from year to year — probably will be different each year — in all probability will not be the two-thirds in any one year. How, then, can the city know just what rate it pays for borrowed money?

#### MUNICIPAL BOND SALES.

Canada's Municipal Bond Sales last year amounted to \$67,393,000, which in comparison with the figures of 1913 show that the municipalities are retrenching considerably and also that Canadian investors are taking up more and more local municipals.

	1915.	1914.	1913.
Canada .. . . .	\$31,910,214	\$34,483,359	\$20,550,239
Great Britain .. .	32,347,435	69,632,350	
United States .. .	35,483,114	12,303,200	21,168,053
	\$67,393,000	\$79,133,994	\$111,350,642

#### WINNIPEG'S EXPENDITURE.

The following table compiled by the Winnipeg Free Press shows how each \$100 of taxes goes, according to the estimate for 1915-16:

Education—	
School Board .. . . .	\$22.94
Libraries .. . . .	1.29
Museum, etc. . . . .	.01
	\$ 24.24
Protection of Life and Property—	
Police .. . . .	\$ 8.63
Fire (including Water Services and Electric Dept.) .. . . .	9.55
Street Lighting .. . . .	3.45
	21.63
Health and Sanitation—	
Street Cleaning and Maintenance .. . . .	\$ 5.47
Health Department .. . . .	4.20
Baths and Comfort Stations .. . . .	.33
Hospital Aid .. . . .	3.94
Winnipeg General Hospital .. . . .	.52
Hospital Committee .. . . .	3.01
	17.47
City Administration—	
Building Inspection .. . . .	\$ .27
Markets and Pounds .. . . .	.29
Licenses and Picture Censorship .. . . .	.37
	0.93
Charity and Employment—	
Relief and Unemployment Bureau .. . . .	\$ 1.59
Public Charities .. . . .	1.52
	3.11
Parks, Parkway, Etc.—	
Parks Board .. . . .	\$ 2.93
Cemetery .. . . .	.23
Parkway Construction .. . . .	.04
	3.20

EMILIUS JARVIS

A. D. MORROW

EMILIUS JARVIS &amp; CO.

MEMBERS TORONTO STOCK EXCHANGE

GOVERNMENT  
MUNICIPAL  
—AND—  
CORPORATION  
SECURITIES

JARVIS BUILDING - TORONTO

THE  
DOMINION SECURITIES  
CORPORATION LIMITED

ESTABLISHED 1901  
HEAD OFFICE: 26 KING ST. EAST, TORONTO  
MONTREAL LONDON, E.C., ENG.

#### Service to Municipalities

Fourteen years of service to Canadian Municipalities and Investors in Canadian Municipal Debentures enables us to give every facility to Municipalities in marketing new issues. Our organization is represented in the principal markets of Canada, Great Britain and the United States.

Correspondence Invited.

CANADIAN GOVERNMENT MUNICIPAL  
AND CORPORATION BONDS