# The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869; the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF COMMERCE, Toronto.

Vol. 41—No. 3. Toronto, Montreal, Winnipeg, Vancouver, July 20th, 1907. Fifteen Cents.

## The Monetary Times

A JOURNAL OF CANADA IN THE TWENTIETH CENTURY.
PUBLISHED EVERY SATURDAY BY THE MONETARY TIMES PRINTING COMPANY:

THE MONETARY TIMES was established in 1867, the year of Confederation. It absorbed in 1869, THE INTERCOLONIAL JOURNAL OF COMMERCE, of Montreal; in 1870, THE TRADE REVIEW, of Montreal; and THE TORONTO JOURNAL OF COMMERCE

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**The editor of the Monetary Times will welcome communications from readers on banking, financial, commercial, and kindred subjects.**

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## CUTTING THE COAT.

Municipal finance is proverbially the butt of criticism. Money scarcity is apt to breed complaints. City and town councils usually offer a fertile field for the outpouring of monetary vituperation. Business men are not the sole sufferers of the effects of the financial stringency. Anyone who handles money in the money markets will experience any prevailing difficulties.

Critics of civic finance might not have published their interesting opinions so widely had it not been that Halifax was unable to obtain the price it desired for its city bonds. This fact made tongues busy. Immediately there was an outcry that Canadian cities were spending too much, and were becoming recklessly extravagant. Ugly rumours were circulated as to the financial condition of various cities. Winnipeg's money affairs were published, throughout the length and breadth of the continent, with many imaginative daubs, by the gentlemen who make a fair living from providing sensational Canadian news to the United States press.

People did not pause to consider that municipalities are not immune from the stress and vagaries of the money markets. To the minds of some critics expansion of business was all right for the business man; development of industries was not out of the way for the captain of industry; extension of the branch bank system was the correct thing for the banker. But the building up and improvement of our cities and towns was a most improper thing.

Halifax feels keenly the manner in which its civic financing has been held up for discussion, and even ridicule. When one considers the facts, the sins of the Halifax city council are far from being black. A large portion of the money, which is at present required, was to have been borrowed last year. It was contemplated to invite tenders for a loan. Upon learning that the city bonds would not sell at a higher price than 97 or thereabouts, the city decided to withhold the issue, expecting to realize a higher price this year. Thus they did not deviate from the paths of the expert. The city decided, when they failed this year to obtain anything like an offer of 97, to take up the role of bond dealers.

This, in some respects, was an unwise step. Bond dealers have an established clientele. A city would naturally experience some difficulty in disposing of its debentures. While it was running around, offering its wares for sale, bond dealers would be placing the debentures of other cities. Naturally, a municipality would meet with a certain degree of success. There are always people who will back their particular city's investments against those of any other. But only thus far Halifax may have erred.

A Montreal paper, in criticizing municipal financing, puts unpleasant, but natural, facts in the most unpleasant light. "Winnipeg has been hawking her credit "in every probable part of Eastern Canada," it says. No self-respecting city likes to be accused of "hawking its credit." Winnipeg could have placed almost as many thousands of dollars worth of debentures as it desired, but Winnipeg was not satisfied with the price obtainable. Which happens to be a common complaint just now.

Not a great many of our cities need to be reminded that this is a time for retrenchment. We admire their aspirations to become cities beautiful. But the present is no time for municipal luxuries. Several growing centres in Western Canada have decided to do without those things which, for the present, they can afford to forego. Municipalities need not fear their carping critics, for they are experiencing what the whole country, indeed the whole world, is experiencing—"tight money." They are growing with the country and its industries. They must cut their municipal coat according to their financial cloth.