

various works in one class, they would possibly yield better average returns if those required for waterworks, electric works, street railways, and other reproductive works were disposed of individually. This is the usual practice in England and South Africa. Moreover, it is worthy of consideration whether ordinary debentures are as saleable as stock. Many cities find it profitable to obtain funds by selling stocks of \$500 and upwards.

Elastic But More Rigid.

Reverting again to the matter of procedure, it would appear that something more elastic on the one hand and more rigid on the other is necessary. This may seem paradoxical, but it is not so. The procedure should be sufficiently elastic to enable the councils framing their public works programme so as to permit them taking advantage of the financial fluctuations. It should also enable the councils to decide what works should be carried out and what money is required and come on the market at any time of the year, so that not too many of the Canadian authorities will do so simultaneously. It should be elastic enough to allow the councils to submit proposals to the ratepayers, at any time of the year, if such a procedure is really necessary. The ratepayers have elected their representatives and they might be given more freedom of action in this respect.

To Protect Ratepayers and Investors.

The procedure should also be rigid so as to protect the ratepayers and investors alike. One section of the ratepayers may have sufficient influence to force a scheme which might not be essential to the general public as another one might be. Some ambitious new aldermen may want a scheme delayed so that his may have a chance. The investor also wants safeguarding, for he is usually away from the place where the money is required. At present he has documentary evidence of the city officials supplemented in some cases by the government official. It would seem that the procedure could be made more rigid by adapting the English Local Government Board method, to suit Canadian conditions. To adopt the Local Government Board plan would no doubt be too drastic, and perhaps too great a restraint on the enterprising western Canadian councils. But to the British investor, (for most of the money comes from Great Britain), some independent and impartial investigation and sanction is desirable.

The Board of Railway Commissioners of Canada is reputed to give satisfaction to the public. The Public Utility Commissioners of Manitoba and Quebec are also said to fulfil their functions impartially and have done good work. Would it not be an advantage if similar organizations were instituted

to facilitate and regulate municipal loan schemes? The fact that all municipal schemes were considered, investigated and sanctioned by such boards would doubtless have a great influence on the opinions of financiers, for it would be a satisfaction to them as well as to the ratepayers to know that all schemes have to be sanctioned or rejected by independent official authorities, who shall be absolutely free from political control. If such boards were constituted the town authorities would be able to prepare and submit any scheme at any time, and having got the necessary sanction of the board, with the period of repayment fixed, the councils could then arrange to secure the funds at the most opportune moment and on the most favorable terms. The present cumbersome procedure would then be unnecessary as there would be every safeguard in the interest of the ratepayers.

Easier to Get Capital.

With the establishment of such boards, and a revision of the constitution of the town authorities, so as to secure a greater continuity of policy, Canadian authorities would be in a better position to obtain capital and to better arrange their programme of public works. Schemes could then be dealt with individually instead of collectively at any period of the year.

In conclusion it may be instructive to describe German municipal procedure. The city council consists of deputies elected by the ratepayers for three years; they appoint the Ober-burgermeister and a Vice-burgermeister at salaries for twelve years, and a number of stadräte or councillors, some of whom are salaried and correspond to our city commissioners. The burgermeisters and stadräte have a right to vote in council. When the council of deputies and stadräte presided over by the burgermeister has decided to embark on any scheme, the same is remitted to the burgermeisters and stadräte in charge of the branch controlling that particular work. The ober-burgermeister, vice-burgermeister and stadräte first settle all details in conference—called the magistrate collegium—and a report is presented to the council of deputies, when they finally decide the matter. The money is obtained either from an "operating fund" or by loan; but if it involves a large amount it ultimately means a loan. This is arranged with financial houses and the work proceeds. It is maintained that the ratepayers having elected their representatives it is left to them to use their judgment as to what is advisable to be done in the interest of the citizens. The government has certain powers of restraining municipal authorities, where it is felt that injudicious expenditures are incurred, otherwise the city authorities have complete independence in the administration of civic affairs.

FRAUDULENT STATEMENTS ARE CRIMINAL OFFENCES

The Canadian Credit Men's Trust Association has been working for some time on the proposition of making the issuance of a false or fraudulent statement a criminal offence. The passage of the following amendment has resulted from their efforts:—"Everyone is guilty of an indictable offence and liable to one year's imprisonment and to a fine of two thousand dollars, who

"(a) Knowingly makes or causes to be made, either directly or indirectly, or through any agency whatsoever, any false statement in writing with intent that it shall be relied upon, respecting the financial condition or means or ability to pay of himself, or any other person, firm or corporation in whom he is interested, or for whom he is acting, for the purpose of procuring, in any form whatsoever, either the delivery of personal property, the payment of cash, the making of a loan or credit, the extension of a credit, the discount of an account receivable, or the making, acceptance, discount or endorsement of a bill of exchange, cheque, draft, discount or endorsement of a bill of exchange, cheque, draft or promissory note, either for the benefit of himself or such person, firm or corporation; or

"(b) Knowing that a false statement in writing has been made respecting the financial condition or means or ability to pay of himself, or such person, firm or corporation in which he is interested, or for whom he is acting, procures upon the faith thereof, either for the benefit of himself or such person, firm, or corporation, any of the benefits mentioned in paragraph (a) of this section."

Because the amount of Canadian gold being submitted to the refining process at the Ottawa branch of the Royal Mint is increasing year by year, the Government is taking steps to double the capacity of the building and plant. Tenders will be called for the work in a few weeks. The value of gold refined last year was \$1,688,823.

MOVEMENT OF CANADIAN BANK BALANCES

Some heavy shifting of Canadian balances occurred in June, points out a Montreal correspondent of the New York Journal of Commerce. Thus the Bank of Montreal drew down its balances in London \$5,500,000 and increased its New York balances \$4,100,000—the total rising from \$5,874,706 to \$9,992,930. Apparently the Bank of Montreal sold bills on London extensively in June and placed the proceeds with its New York correspondents—the National City, National Bank of Commerce, and the National Park.

The Canadian Bank of Commerce, on the other hand, was remitting bills to London—its net balances there increased \$1,200,000, while its balances in New York went down roundly \$5,000,000. In this case the New York correspondents are the American Exchange and the Chase. The Royal Bank of Canada, too, remitted bills to London—its balances there rising \$1,400,000. As mentioned above, the funds apparently came from calling loans in New York. Perhaps the Canadian Pacific stock payments in June caused the Bank of Montreal to take this supposedly different position on the exchange market last month. It had been presumed that the Bank of Montreal would retain in London the moneys derived from the European stockholders of the Canadian Pacific Railway in June, in order to meet the bonds tendered on July 1st. It is said that £4,000,000 of these bonds were redeemed on that date. One would suppose that this payment by the Canadian Pacific's bankers in London would serve to still further reduce the outside reserve of the Canadian banks, and thus bring the July reserve ratio down to a lower point.

The plant of the Edmonton Portland Cement Company at Marlborough, about 149 miles west of Edmonton, the installation of which has been in progress for the past eighteen months, is practically completed, and the plant will in a few days be placed in commercial operation, with an initial capacity of 1,500 barrels daily and provision for the installation of additional units when required.