SUSPENSION OF MUNICIPAL SINKING FUNDS

London Authority Advocates It for England—Not Good for Canada

"At the present time a great deal of attention is being directed towards the solving of the problem of keeping as large a number of people as possible employed in this country to counteract the effect of the cessation of trade with the continent and the disorganization of our overseas commerce with other countries," says the London Financial Times. "It is obvious that the greater the amount of unemployment the smaller must be the spending power within the country, and this will further adversely affect trade. This further reduction in trade in its turn would again react on the workers, and so there would be a continuous chain of accumulating distress. Many people have been devising schemes, some practical and many impractical, whereby trade may be stimulated so that the movement of employment may be upward instead of increasingly downward, and Government aid is being asked for from many quarters, and measures are being pressed for in order that some of the schemes may be carried out.

"In some quarters it is urged that public works, Government or municipal, should be pressed forward, and that new works at present only in contemplation should be started in order to give employment. For this purpose, as regards municipal works, the suggestion has been put forward that a measure should be passed whereby for the period of the war all municipal sinking funds and other repayments of capital indebtedness be suspended wherever there would otherwise be an actual increase in the rates."

London Banker's Opinion.

"Seen on this question of the suspension of sinking funds, a prominent banker pointed out to a representative of the London Financial Times that in the ordinary course the tampering with such funds was to be severely discouraged. The times, however, were abnormal, and the great thing to be done at present was to get trade going and to keep it going. If it were a question of whether either the works or the sinking fund would have to be suspended, then, he said, by all means suspend the latter.

"A temporary suspension of a sinking fund would not materially affect the credit of the municipality or the value of the stock, especially where the loan was not repayable for a number of years to come. The amount involved in the sinking fund in a temporary suspension during the war would be small compared with the total of the loan and could be made up later. The inhabitants of the municipality would have to pay eventually, but the present was obviously not a good time for raising rates."

Position in Canada.

This procedure is a serious one at any time anywhere, but in Canada efforts should be made especially to keep sinking funds intact. The municipal sinking fund position here generally is by no means stronger than it should be. The investment of a municipality's own debentures in its sinking fund has not the objections which sinking fund suspension possesses, and the former course may give a substantial measure of relief.

The present season has been one of exceptional activity in the extension of Saskatchewan's rural telephone system, and it is expected that the end of the present season will show the greatest increases in mileage of rural lines and number of rural subscribers of any year since the organization of the rural telephone branch of the department of telephones. At present, about 4,000 miles of line are under construction, and of this amount 500 miles, the property of 19 companies, have been completed and passed inspection; while 20 other systems are built and awaiting inspection. The services of four inspectors are constantly required to supervise and inspect the work. The department has also on hand the applications of a large number of companies which have not been able to commence construction. It was hoped that a considerable number of these might be approved in time to allow the completion of their systems this fall, but owing to the financial situation caused by conditions in Europe, the sale of debentures has fallen off almost entirely, and the only companies registered are those which are able to dispose of their debentures.

COMPANIES INCREASING CAPITAL

The following companies in Ontario have increased their capital stock: Irish and Maulson, Limited, from $250,000 to $500,000; the Stormont Electric Light and Power Company, Limited, from $50,000 to $200,000.

The following company in Saskatchewan has increased its capital stock. The Hanley Development Company, Limited, from $20,000 to $30,000.

ANOTHER CROP ESTIMATE

Secretary Fowler, of the Northwestern Grain Dealers' Association, reports as follows on crops in Canada:—

	Acreage, bush.	Yield per acre, bush.	Crop, bush.
Wheat	10,952,000	13.5	147,852,000
Oats	6,916,000	29.0	174,493,000
Barley	1,226,000	20.5	25,143,000
Flax	918,000	7.0	6,646,000

Last year's wheat crop was roundly 209,000,000 bushels.

DRY DOCK AT PRINCE RUPERT

The construction of the floating dry dock and ship repairing plant of the Grand Trunk Pacific Railway Company at Prince Rupert, B.C., are making good progress. The first pontoon was launched August 24th. The second pontoon or section will be launched during September and within the next 60 days a section of the dry dock will be available for repairs to craft in that locality.

When completed the dock will consist of 12 pontoons surmounted by steel wings in three sections, securely tying together in one case six pontoons and in the other case three each. There will then be available for practical use three separate docks which can all be placed together or arranged in any combination desired.

The capacity displacement of the whole 12 pontoons is 20,000 tons; each pontoon has two 12-inch centrifugal pumps so that after the dock is sunk and the ship slipped in place, the water can be pumped out in two hours, raising a ship of 20,000 tons (or a smaller ship in a proportionate time). The length of the dock will be 600 feet.

It will furnish an important industry to Prince Rupert and will be of great importance and advantage in repairing the increasing shipping to that port, it being the only dry dock on the Canadian Pacific coast north of Esquimalt.

BRITISH CASH AS A WEAPON

"British tenacity and British courage always come in, and they always will. But let us remember that British cash tells, too."—Lloyd George.

The third batch of treasury bills issued for war purposes was floated in London last week with the same ease as were the earlier issues. $75,000,000 was divided equally between six months' and 12 months' bills. Tenders of $492.41 were received for the former, and of $481.22 for the 12 months' bills.

The news has filtered through to London from Berlin that Germany's internal war loan of a quarter of billion dollars was unsuccessful, only one-fifth of the amount being applied for.

London hears also that the notes of the German Reichsbank have already depreciated 20 per cent., and that even at this rate attempts to negotiate them in Holland have failed. A parcel of Reichsbank notes were sent by neutrals to London in the vain hope that they could be disposed of at a 20 per cent. discount.

Fight Germany from your office desk.

Keep the flag flying and business moving.