

## VICTORIA'S HEALTHY FINANCES

### President of Board of Trade Tells of Satisfactory Prevailing Conditions

People in Canada are so optimistic that they wish to accomplish in one year that which, perhaps should take several years, stated Mr. J. J. Shallcross, president of Victoria Board of Trade, in a recent address. In Victoria, there had been, within the last few years, a large increase of population. Wisely, in his opinion, it was agreed that these newcomers must be provided with all the facilities that are generally considered necessary in the life of a city. Thus many public works had to be undertaken, such as the extension of sewerage systems, the building of more and larger schools, the procuring of an adequate water supply and the extension of water distribution, as well as other important works. In addition, there were what is known as local improvements, cement sidewalks, asphalt streets, cluster lights, street widening and street extensions, and for this class of work obligations to the extent of over \$5,000,000 were undertaken in one year, and I believe some of this work is still unfinished.

It was here, Mr. Shallcross suggested, that the difficulty was encountered, for the law provides that bonds cannot be issued for works of local improvement until the work is finally completed. Therefore the necessity arose to arrange, temporarily, a large floating debt. That was the situation at the beginning of the year. Then, partly owing to phenomenal expansion of trade and partly because of the German Empire's new military dispositions, there was experienced the trouble, of which most business men knew, of marketing bonds.

#### Financing had been Accomplished.

What made the conditions worse was the conservatism of the banks. They were not advancing any more than they had to, and would not give the city the usual overdraft on the security of the current year's taxes.

However, Mr. Shallcross continued, this was past history. Since then the city had disposed of \$4,000,000 worth of bonds. Of this amount about \$2,250,000 had been applied to the floating debt, leaving approximately \$1,700,000 for new work. It was planned to expend this sum on only those enterprises that were imperative for the welfare of the community. For instance, on sewers there was to be laid out \$650,000, on schools \$440,000, and on the Sooke water-works scheme \$450,000.

At the present time Victoria had on deposit with her bankers \$4,000,000, against which there were advances of less than \$2,500,000, leaving a balance of about \$1,500,000, and Mr. Shallcross added, there would be a credit balance for the rest of the year. It is true that a considerable portion of these deposits is ear-marked for sinking funds, etc., but the important point is that the money is there and available to provide the accommodation required to meet the exigencies of the moment. The fact that this was the present situation was a matter of great credit to the city. I meant that it was unnecessary to look outside for assistance, that the money is here, and that all the banks have to do is to charge their commission.

#### Injudicious to Spend More Now

Some liquidation was still required, but it was of a character that would work itself out, all that was needed being the exercise of a little patience on the part of the people. As things now stand, about \$2,000,000 has been expended on local improvements which it will require another \$1,000,000 to complete. When the work involved in this outlay is finished, the speaker explained that bonds to the extent of \$3,000,000 could be placed on the market.

It was Mr. Shallcross' opinion that, until these local improvement projects were out of the way, it would be a most injudicious thing for the civic authorities to enter upon any others. His contention was that it was not a healthy sign to find a large section of the population of a city dependent on the work provided by the works department and paid for by borrowed money. For this year, he stated, the expenditure of one million and three-quarters, as was intended, was quite sufficient. The purposes to which this money was to be devoted were of a character that must meet with the approval of all right-thinking citizens.

Reference also was made to the provincial law which stipulates that local improvement bonds cannot be offered for sale until the work is completed and the assessments arranged. It was this, which, in Victoria's case, made the floating debt, which has been spoken of, necessary. He thought the law was a faulty one and that the legislature might make such an amendment as would make it easier for a municipality to handle the finances in connection with great public works which must be paid for on the local improvement basis.

Generally, Victoria was in a happy condition. There had been no foreclosures, and, as far as the speaker was aware, there were no forfeitures under agreements for sale. Credit and confidence were the basis of the financial fabric of a community, as they were of a country or a nation. The facts stated appeared to indicate that Victorians had absolute confidence one in the other. That was a matter on which the city was to be congratulated. The speaker, continuing, expressed the hope that the people would pay their accounts regularly and not be impelled to hold back because of any fancied financial stringency. The future would look after itself. It was bright. The bankers of Canada were very cautious, although, perhaps, not too much so. The cash reserves of the London banks amount to 10 per cent. of their total liabilities, while the reserves of the Canadian banks totalled 15 per cent. of their aggregate liabilities. This was a striking commentary on their strength. Victoria, its citizens might rest assured, was sound. The exercise of a little patience, a little restraint, and the city would pass the present state of general financial stringency and be stronger for the experience.

### CANADA'S TRADE GROWS.

Canadian trade for the year ended April 30, totals \$1,079,934,011, as compared with \$879,611,838 for the preceding year. Imports totalled \$678,587,617, and exports \$401,346,394.

There was an increase of 18 per cent. in imports from the United States which amounted to \$442,213,343, or \$75,000,000 more than the year before.

The exports increased by \$73,000,000. Exports to Britain amounted to \$183,734,820, and to the United States \$168,605,800.

### YORKSHIRE INSURANCE COMPANY.

A glance at the eighty-ninth annual report of the directors of the Yorkshire Insurance Company for the year 1912, shows that this old established British corporation has maintained its strong position. The net premium income of the fire insurance department after deduction of re-insurances, amounted to \$2,005,815, as against \$1,597,225 in the previous account. The losses were \$835,410, the ratio being 41.6 per cent., as against 51.7 per cent. for the previous year. From the balance at credit of this account \$297,745 has been carried to profit and loss, and the reserve for unexpired liability has been increased to \$802,330.

The fire insurance account is as follows:—

Reserve for unexpired liabilities brought from last year, \$638,900; premiums, \$2,005,815; interest, dividends and rents, less income tax thereon, \$32,305; total \$2,677,020.

Claims under policies, paid and outstanding, \$835,410; commission, \$248,425; expenses of management, \$478,395; contributions to fire brigades, \$13,325; bad debts, \$1,390; carried to profit and loss account, \$297,745; reserved for unexpired risks, being 40 per cent. of premium income for the year, \$802,330; total, \$2,677,020.

The manager for Canada of the Yorkshire is Mr. P. M. Wickham, with head office at Montreal. Chiefly to his energy and progressiveness is due the growth of the company's Canadian business, which for 1912 may be summarized as follows:—

Net cash received for premiums .....	\$ 273,327
Re-insurance and return premiums .....	41,237
Gross cash received for premiums .....	314,564
Gross amount of policies, new and renewed ....	28,019,153
Net amount of risk at date .....	33,380,203
Net amount of losses incurred during the year ..	119,321
Net amount paid for losses .....	134,975

The Yorkshire, which commenced business in Canada in January, 1907, and does fire, accident, sickness, livestock, and plate glass insurance, has total assets in this country of \$2,392,385, divided as follows:—

Real estate, \$325,000; loans on real estate, \$1,564,400; bonds and debentures, \$350,721.04; agents' balances and premiums outstanding, \$41,446.83; cash on hand and in banks, \$94,580.73; interest and rents due and accrued, \$7,736.70; other assets, \$8,500; total, \$2,392,385.30.

### INDEX TO THE MONETARY TIMES

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