

A WARNING TO MUNICIPALITIES.

It appears that some of the Saskatchewan municipalities whose borrowing operations are under the control of the Local Government Board of that province have been asking authority for loans after having incurred expenditure without having made arrangements for it. The Board has now issued a notice, saying:—"Up to the present the board has been indulgent in dealing with cases of this kind, the irregularities in most instances having occurred previous to the commencement of its financial supervision."

"In future municipalities should bear in mind that when works are decided upon to be paid for by way of the issue of debentures that it is absolutely necessary to procure the sanction of the proper authorities before beginning operations. And further, that money raised by this means for a particular purpose must be applied to that purpose and positively to no other."

"There can be no mitigating circumstance to excuse the diverting of debenture funds from the purpose for which they were raised, and the board will be compelled to deal with cases of this kind with the sole view of enforcing proper methods of financing without favor to any particular municipality."

BRITISH TRADE AND THE FINANCIAL SITUATION.

British trade last month totalled £106,188,000, about a quarter of which was probably done with Germany and the other countries which are engaged in the war.

Discussing this question, the London *Statist* says that while it is true, of course, that our trade with the Continent will be checked, against this has to be placed the fact that neither Germany nor Austria will be able to export any appreciable amount of goods to any country, and that consequently a deficiency will arise which must be supplied by the countries capable of supplying similar goods. The only countries that will be in a position to supply the goods usually supplied by Germany are Great Britain and the United States, and therefore against the loss of trade with the Continent must be placed the increased trade which will be carried on with other countries.

Last year the value of British net imports was £659,000,000. To pay for similar amounts in the future we shall have to export goods to the value of between £300,000,000 and £350,000,000. It will be borne in mind that last year the value of our exports was £525,000,000, but with this sum we not only paid for all the goods imported, including manufactures, but we also paid for about £200,000,000 of securities. Of course, during the war our ability to find capital for other countries will practically cease. Indeed, from time to time it may be that we shall import capital either by disposing of a portion of the £4,000,000,000 of foreign investments that we hold or receiving subscriptions from friendly countries to our issues of Consols. In proportion as we sell securities to or receive subscriptions to our war loans from other countries the smaller will be the amount of goods we shall have to export in order to purchase as much food and material as we did last year. The whole question of the volume and extent of British trade depends upon the success of the British fleet in keeping the command of the sea. The purely financial situation is as strong as the economic situation.

The *Statist* has no doubt whatever that out of new savings the country will be able to raise some \$300,000,000 of money in the year for war purposes over and above any sums it may obtain by the sale of some portion of its great holding of foreign securities. Thus, as far as the financial situation is concerned, the position is one of great strength.

BRITISH MORATORIUM LIKELY TO END.

"Chancellor David Lloyd George," says a London cable, "has received 8,000 replies from traders and bankers to inquiries regarding the desirability of continuing the moratorium. Of these 4,500 favored ending it and 3,500 favored continuing it. This really means that the former have more money owing them than they owe, while the latter owe more than is due them."

"Arrangements are being made to cancel the moratorium and to institute legislation preventing creditors from exercising harsh legal treatment towards debtors who unfeignedly cannot pay."

"At present many debtors who can pay will not do so."

"Generally speaking, conditions are improving, owing to the facilities granted by most banks, who are behaving well to their customers. A few banks have been restricting accommodation, but Lloyd George threatens to pillory them publicly if they don't adopt a more liberal policy."

"Banks are being besieged by customers desiring advice and credit to enable them to capture German trade abroad. Most bankers are giving all possible assistance."

NEW METHOD OF VALUING INSURANCE COMPANIES' SECURITIES.

The Dominion insurance department announces that this year it has adopted a new method of determining the market values of the stocks, bonds and debentures held by the various companies. The entire list of securities owned by insurance companies in Canada has been submitted to three reliable independent bond dealers for valuation as at December 31, 1913. These valuations were averaged and the averages taken as the standard market values for insertion in the report. In a limited number of cases one or two of the valuers were unable to furnish values, and in such cases the one value furnished in the average of the two values was used. In the case of a few securities, none of the valuers were able to fix a value, and these securities have been shown in the report at the company's values, the market value in such cases appearing in italicised type.

NORTHERN ASSURANCE COMPANY.

Mr. Cecil Lubbock, a director of the Bank of England and of the Northern Assurance Company, and managing director of Whitbread's Brewery Company, has been appointed a director of the Hudson Bay Company, filling the vacancy created by the appointment of Sir Thomas Skinner to the Governorship, in place of Lord Strathcona.