

orders is not overlooked, but even banks must be allowed a breathing spell, and any influence consciously or unconsciously exerted in the direction of impairing the liquid position of the chartered banks of Canada should be strongly discouraged.

These points have been the subject of comment by many other leading bankers during the course of the war. It is gratifying, therefore, to know that the most notable feature of the Canadian banking situation is its remarkably liquid position in spite of war conditions. This position must be maintained. The severest test is not past. The president of the Canadian Bankers' Association, Mr. E. L. Pease, stated early this year that the banks should bear in mind that the unexampled prosperity which the country is now enjoying, and which is reflected in increasing deposits, is due to war-born industries, and that a drastic reaction will follow the cessation of hostilities. Canada, like other countries, will then probably be confronted by serious inflation, by dear money, a reduction in the prices of commodities, and by labor troubles.

The chartered banks are the bulwark and stay of Canada's industrial life. Mr. Hebden points to a serious fact in saying that anything done that would cripple or materially lessen their usefulness in that field, including work for the war, would work Canada a grave disservice. That the banks will keep themselves properly liquid is a cardinal and primary duty they owe to themselves and to the country.

POLITICS AND BUSINESS

The secrets of the political rules and regulations are confined to the select few. They have helped to prevent a coalition government. Yet strong opinion, thinking independently of parties, favors a national business government. Should Sir Robert Borden reconstruct his cabinet, choosing men of business ability for that reason and not for party reasons, the country will support him. Only professional politicians, who have been trained to look at everything from the partisan viewpoint, will protest against the breaking of ancient precedents at Ottawa. A determined effort to utilize all the available energy, money, brains and material, irrespective of party leaning, will have the country's approval.

Our people desire the nation's affairs and its part in the war conducted as large, enterprising corporations carry on their work. The Canadian Pacific Railway, The T. Eaton Company, and other such institutions appoint their directors and executive men with a view to getting the best results and giving good service in the shortest time, with the least possible expenditure. These days of crisis demand that governments should adopt the best business methods in the work of their administration.

The British America Assurance Company has been licensed to transact inland transportation insurance in addition to its present business of fire and hail insurance.

The Dominion license of the Canada Weather Insurance Company, of Toronto, expired on April 30th and has not been renewed. The Canada Weather is a small Toronto company, dating from 1908, which has been transacting hail and tornado insurance. Last year it received net cash for premiums, \$78,593, and incurred net losses of \$53,118. At December 31st, 1915, the company had total assets of \$36,255, giving an excess of assets over liabilities of \$31,138. Capital stock paid in cash was then \$77,892, so that at that time nearly \$47,000 of the capital had gone.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

A considerable part of the debt of Canadian cities is represented by money expended upon local improvements such as paving, sidewalks, drainage, etc. The proportion to be charged to the general taxpayers and the owners of the property immediately benefited, varies considerably throughout the Dominion; the total, however, so expended is usually considered as part of the city debt, although the sinking fund and interest on the amount expended as the properties' share is specially levied against the properties with a frontage to the street improved. This statement was made by Commissioner C. J. Yorath, of Saskatoon, when addressing the Civic Improvement League at Winnipeg recently. In making debt comparisons of cities in Canada, Great Britain and the United States, regard must be given to this fact, he pointed out, as in the two latter countries local improvements such as have been described are made by the local authorities at the cost of the adjoining property owners, i.e., the total cost of paving a street, laying sidewalks, constructing drainage, etc., when completed is immediately charged against the property owners fronting upon the street so improved; thereby making the cost of street improvements part of the capital expenditure of the individual property owner instead of the local authority.

The local improvement procedure adopted in the United States and Great Britain is much to be preferred to the system adopted in Canada as the cost of such improvements spread over the individual owners of lots is comparatively small and does not add materially to the cost of the improvements erected on their own property.

Another advantage in charging the total cost of local improvement against the property owner immediately after it has been completed is that it deters an owner from clamoring for improvements until he has improved his own property; whereas under our system in Canada the speculative holder of land clamors for improvements as he has no objection to paying for a year or two the small annual charge of sinking fund and interest if by virtue of the improvements the value of his property is enhanced and his chances of selling same have considerably improved.

The practice of charging expenditures to a loan is carried to such extremes by some cities that even the cost of sewer drain and water connections is spread over a period of thirty years. When methods such as these are adopted it is little wonder that the debts of Canadian cities compare so unfavorably with debts of other countries.

St. Hyacinthe, Que.—A block of \$125,000 5½ per cent. 1 to 12 years serial bonds has been sold to Credit Canadien Incorporé.

Vancouver, B.C.—A taxation relief by-law for \$1,000,000 and a second by-law for between \$100,000 and \$200,000 for street improvements will be laid before the ratepayers within thirty days.

Winnipeg, Man.—Tenders close on June 20th for \$2,000,000 5 per cent. 5-year bonds of the Greater Winnipeg Water District. R. D. Waugh, treasurer. (Official advertisement appears on another page).

Maisonnette, Que.—The issue of \$700,000 20-year 5½ per cent. bonds dated May 1st, 1917, is not yet sold. "We are waiting for better terms," the municipal secretary-treasurer tells *The Monetary Times*.

Red Deer, Alta.—Tenders close on June 26th for \$30,000 treasury bills dated July 1st, 1917, repayable \$10,000 each, one, two and three years. A. T. Stephenson, city commissioner. (Official advertisement appears on another page.)

Ingersoll, Ont.—An opportunity was recently given local investors to purchase \$16,050 of the town's street paving debentures. The whole issue has been taken, and it has been decided to place upon the market a further issue of \$75,000.

Kitchener, Ont.—By-laws have been passed providing for the raising of \$7,000 by debentures for the payment of the insurance premiums on the lives of the soldiers from this city, and also for the issue of debentures amounting to \$20,000, the sum subscribed by this city to the Canadian Patriotic and Red Cross funds.