

AFTER THE WAR

If the war goes on until August next it will have cost \$75,000,000,000. These figures assume that after hostilities have ceased, full expenditure will continue for a further period. This is a possible factor in the early days of peace, to which little attention has been given. When the truce is called, armies will probably be kept in the field pending the negotiation and ratification of the definite peace treaty and for clearing up after the hostilities.

While this condition may prove helpful in the adjustment from war to peace it must not be exaggerated as a favorable factor. When war stops, the placing of new

orders for munitions is likely to stop also, or at least to be greatly minimized. A certain amount of orders then in hand will be completed, but peace will probably give a severe jolt to business and prosperity based as it is on the fact that there is war. Preparation in every department of our national organization for the period to follow the war is the urgent need of the moment.

In a recent interview in London, Lord Shaughnessy said that the subject of trade after the war "is one in which Canada is deeply interested." The Canadian Pacific Railway, with its usual enterprise, long ago instituted investigation and formulated plans for the period to follow the war. Canada, the nation, has as yet allowed the matter to remain at the stage of being "deeply interested," but apparently too proud to think-ahead.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

No part of the moneys at the credit of the sinking funds may be invested in any securities, whether by the municipal council itself or by sinking fund trustees, without the previous approval of the Saskatchewan board.

It is the practice of the board to have all such applications submitted to it in detail. Where an investment is to be made in debentures the board insists upon obtaining full information concerning such debentures and the price at which the same are to be purchased, in order that the yield to the sinking fund may be ascertained. Care is also taken in selecting securities which have maturity dates suitable to each particular sinking fund. If payments are to be made out of the fund within a comparatively short period, then short-term securities are required; if no such demand will be made upon the fund for a considerable length of time then longer term securities may be purchased; the object being that purchases of securities for the sinking fund should be made with a view to permanent rather than temporary investments, in order that money and not merely securities may be at the disposal of municipal officials when such is required; otherwise those in charge of sinking funds may be forced upon the market at inopportune times with securities upon the sale of which loss may be sustained.

In Saskatchewan the sinking fund may be invested in any stock debentures or securities of the government of Canada; any debentures or securities the payment of which is guaranteed by the government of Canada or of any province of Canada; the debentures of any municipality; school debentures or in debentures issued under the Rural Telephone Act; in local improvement or other debentures of the municipality concerned; or in first mortgage of freehold real estate to an amount not exceeding one-third of the sworn cash valuation of an independent appraiser.

The board has suggested to those administering the various sinking funds that the investments should not be restricted to one class of the above securities only, but should be in various classes, not centred in one locality, but spread over a considerable area. The board does not look with favor on the investment by municipalities in mortgages within the limits of the municipality itself.

In referring to the levy and collection of money for the sinking fund, a direct appeal is made to chartered accountants who have undertaken the task of auditing the accounts of municipalities to take a firmer stand in future than has been taken in the past. In some cases there is a tendency to make little or no reference to the manner in which money, levied and collected for this fund, has been applied. In most municipal acts provision is made that any moneys levied and collected for the purpose of a sinking fund shall not be diverted towards paying current or other expenses, and that members of council who vote for such diversion shall be disqualified from holding office and be personally liable for the amount so diverted. Many municipal acts contemplate that such moneys received by the tax collector are paid over to the treasurer who makes the appropriate entries in separate ac-

counts to show the financial aspect of the municipal debt. These moneys are earmarked and reach the treasurer as trust funds to be kept separate for the purposes for which they are collected. An eminent judge has expressed the idea of a trust being attached to such moneys as follows: "It is an incident of the money borrowed (part of the contract of lending); it is due to the creditor that so much shall be set aside yearly towards his eventual payment. Its being done adds to his security; its perversion impairs it. Its nature is to create a trust fund, and the municipality is a debtor to the fund year by year as moneys become payable to that fund."

Thorold, Ont.—Tenders for \$36,000 6 per cent. 30-year bonds close on November 30th. D. J. C. Munro, treasurer.

Stratford, Ont.—A by-law to issue \$30,000 bonds for patriotic purposes has been passed by the council.

St. Jean de la Croix, Montreal, Que.—\$180,000 6 per cent. 30-year bonds, to Mr. Rene T. Leclerc, Montreal.

York Township, Ont.—The township council has adopted the proposed waterworks plan, involving a cost of over \$500,000.

Kitchener, Ont.—An issue of \$12,000 5½ per cent. 20 instalment bonds was awarded to Messrs. R. C. Matthews and Company, Toronto.

Ottawa, Ont.—Two by-laws to issue \$125,000 bonds for swimming baths and garbage collection plant are to be voted upon by the taxpayers.

Victoria, B.C.—Any of the city's bonds purchased by the municipality in London, England, are not being resold in New York, but are cancelled outright.

Halifax, N.S.—Tenders close on December 4th for \$130,000 5 per cent. bonds. J. J. Hopewell, city treasurer. (Official advertisement appears on another page.)

Toronto, Ont.—At a meeting of the board of control it was decided to recommend the purchase of the Interurban Electric Company, the city to pay \$25,000 and the provincial hydro-electric system to pay \$50,000.

Pembroke, Ont.—The closing date for bids has been extended to November 27. The issue is \$68,500 5 per cent. 30-instalment bonds. A. J. Fortier, town clerk. (Official advertisement appears on another page.)

Montreal, Que.—The civic requirements for the year amount to \$13,975,438, as compared with \$14,231,492 for 1916, a decrease of \$256,000. A reduction of \$474,000 in salaries is made for the coming year, the figures being \$4,033,000. Interest charges have been increased by \$258,000 and amount to \$5,043,587. Available revenue is \$12,596,798, leaving a deficit of \$1,378,648.

Amherst, N.S.—The town called for tenders up to November 14 for \$24,000 30-year 5 per cent. bonds. They received the following bids:—

Sterling Securities Company, Limited	94.45
Eastern Securities Company, Limited	94
J. C. Mackintosh and Company	92.89
W. F. Mahon and Company	92.56

The town refused to accept any of the tenders, but *The Monetary Times* understands that the bonds have now been