

business prudence demands on our part extreme caution and further light before we undertake it.

"Moreover it is not clear that this class of business will result very profitably to the agents. The commissions are small and unless the premiums charged are equal to the lowest, the agent has little likelihood of success in his canvass. The company's officials are alive to the situation, though not at the present time prepared to make a definite announcement."

ADJUSTMENTS IN MUNICIPAL FINANCE

GROWING tax arrears, and other financial difficulties resulting from too much capital expenditure during the years preceding 1913, have brought several western municipalities to such a state that it seemed scarcely possible to meet their financial obligations. Much pressure has in consequence been brought to bear upon the provinces, both the municipalities on the one hand and the creditors on the other, endeavoring to have the provinces assume the responsibility and act as guarantor for their municipalities. The three western provinces at least have had experience of this kind. Prince Albert, Sask., recently made an adjustment of its finances after consulting the bond-holders, similar negotiations are now under way in respect to several towns in Alberta, and the statistics of British Columbia municipalities, summarized elsewhere in this issue, reveal a state of affairs which is far from satisfactory.

Fortunately the provinces have thus far resisted this pressure, and are going only so far as to advise and mediate between a municipality and its creditors, and to consider such legislation as would seem desirable. Because a province incorporates municipalities, and enacts the legislation under which they operate, is no reason why it should be responsible for their debts. The Imperial government enacted a constitution for Canada, but liability for the debts of the Dominion or of the provinces has never been suggested. The relation between bond-holder and municipality is entirely direct, and the former may foreclose on or assist a municipality in difficulties according as they see fit. In recognition of this, it is interesting to note that the new municipal act introduced at the present session of the Saskatchewan legislature contains provisions for the liquidation of the assets of a municipality. Bondholders naturally have difficulty in working together, because they are located in so many cases, but the Bond Dealers' Association has represented them in most cases of this kind, and deserves credit for the trouble and expense which it has incurred in protecting the interests of its members' clients. Particulars of the adjustments made in connection with the Alberta municipalities last week will be found elsewhere in this issue.

PROMOTING CANADIAN TRADE

SEVERAL departments of the Dominion government will, it is understood, be reorganized in the near future, and among these is to be the Department of Trade and Commerce. The extent to which the government can and should assist in the development of trade is a subject about which there is much uncertainty and disagreement at present. To meet the exigencies of war-time a number of special bodies were created, including the War Trade Board at Ottawa, the Canadian Trade Commission at Ottawa, the Canadian Trade Mission in London, England, and the Trade Commission at Washington. The Department of Trade and Commerce is itself represented by trade commissioners in the principal countries of the world, whose duty it is to assist exporters in securing orders, making shipments, etc., and generally to disseminate information regarding Canadian products.

It is obvious that such complicated arrangements will not be suitable as a permanent plan. The retention of some of these organizations, especially of the Trade Mission in London, is being strongly urged, and one of the arguments

advanced is that, being independent of the Civil Service Commission, they have been able to show much better results than are usually expected from government bodies. If this is the case then the work of the Civil Service Commission should be so adjusted that other departments may be able to make similar arrangements. Some parties with whom the government has discussed this matter, including Lloyd Harris, who was head of the Trade Mission in London, are in favor of an aggressive policy abroad.

While most countries have taken active steps to secure trade for their industries, during the past few years, by sending government officials abroad, the success of these experiments is not assured, and it is at least recognized that the work which can be accomplished by a bureaucracy of this kind is limited. The officials can act as sources of information, to advise the exporters at home as to the kind of goods wanted, methods of shipment, customs, and financing; they can bring their countries' products to the attention of buyers in an indirect way. But orders can be obtained only by representatives or agents of the firms, and the government departments cannot do away with the necessity for direct solicitation. These and numerous other limits to the effectiveness of government work in this field should be carefully borne in mind when new arrangements are being considered.

ASSOCIATION OF SHIPBUILDERS AND ENGINEERS

A Canadian Association of Shipbuilders and Engineers has been formed to standardize prices and rates, and generally speaking to protect the interests of shipbuilders and engineers. Commenting upon its objects, the secretary, W. J. Gerrard, said a few days ago:—

"It is absolutely essential for the welfare of the shipbuilding industry that there should be an organization of this nature, so that those engaged in the industry may be in a position to show the minister of labor that they are in a position to collectively deal with their employees from coast to coast. It is generally recognized now that the time for individual bargaining is gone and that the only way to promote and maintain industrial peace is for organizations representing employer and employed to come together for conference."

From what Capt. Gerrard said, it appeared that at first the association which was launched some months back—had gone ahead, but that a little later there had been a cleavage, which resulted in the withdrawal of some of the larger firms. The association has been studying the bonus and subsidy question and has lately waited upon the Minister of Marine and Fisheries to place their views before him. In fact, it is claimed by its members that the recent conference which took place at Ottawa was due to the efforts of the association.

BOND PRICES ARE LOW

In presenting a January list of government and municipal bond offerings, Wood, Gundy and Co. say:—

"The prices of Canadian high-grade securities, such as provincial government and municipal bonds, are influenced by the yield obtainable from Dominion bonds. The necessity for issuing the enormous amounts of the various war and Victory loans on a high interest basis has resulted in low prices for Canadian provincial and municipal bonds during each Victory or war loan campaign. Immediately after each loan the tendency has been for all high-grade securities to increase gradually in price until the arrival of another government loan again caused a depression.

"The probability that there will be no necessity for another government loan on the scale and plan of the last Victory loan means that in the future no such check to the upward movement of the prices of high-grade securities will be in operation. There is no question but that bonds of Canadian governments and municipalities are much below the average prices of pre-war years, which may be regarded as more nearly representing their intrinsic values."