and the money markets of the world are abnormally easy. He left it for the shareholders and the public to base on this plethora of pleasing conditions individual prophecies as to what the next year will bring forth.

Sir George Drummond, having dealt particularly with economic affairs, it remained for Sir Edward S. Clouston, vice-president and general manager of the bank, to discuss details of a different nature. He referred to the three bank failures which have occurred during the year—the Sovereign Bank, La Banque de St. Jean, and La Banque de St. Hyacinthe. He held it as worthy of particular notice that since the circulation has come more under the supervision of the Canadian Bankers' Association, there has been no failure of a bank which has disclosed any tampering with its circulation, either by over-issue or otherwise. Sir Edward spoke perhaps more pointedly than any banker of repute has hitherto done of the collapse of the Sovereign Bank. This was a case, he said, of modern banking where unusual methods were adopted to attract deposits. Depositors can hardly be blamed if in the future they look askance at any bank which adopts catch-penny means of soliciting the savings of the people. They will certainly be justified, he added, in considering such devices signs of weakness on the part of the institution employing them. Sir Edward may or may not have been aware of certain possible developments in the Canadian banking world. His warning anyway in this respect should be carefully noted by present and prospective bank shareholders. There may come a time, and at no far distant date, when the sound advice tersely summarized in the vice-president's address may be used by the investor in relation to new promotions.

## WINNIPEG MUST FIRST FEEL SATISFIED.

Mr. Sanford Evans, who has been elected mayor of Winnipeg, has stated definitely that the power scheme is to go forward. We are supporting neither of the many factors which have swayed the situation to and fro. But two points at this juncture are prominent. One concerns the question as to whether or not the people of the Western metropolis as a whole know the alphabet in relation to the proposed power scheme. The other concerns the probable reception which will be given the municipal bonds issued in connection with the enterprise.

We believe that no one yet has set forth in detail the principal features of the scheme, its fairly estimated expenditure, its probable effect and its relation to present and future competition. If Winnipeg, and not a handful of its citizens, decide that the power scheme is the best thing, then little more can be said. With the injection into the subject of political piffle, of engineering energy, of competitive clanishness, the power scheme has become a personality of interesting bumps. Unfortunately the average citizen is not a phrenologist.

The expenditure will be admittedly between four and five millions of dollars. Basing figures on the estimated and the actual in the case of the high-pressure plant—the former being $500,000, the latter nearly $1,000,000—the total expenditure on the proposed power works will probably be not less than $5,000,000. It may be near the $6,000,000 mark. As is known, considerable expenditure has already been made. The total engineering cost, as estimated, was to be five per cent. On $3,250,000 the estimated cost, exclusive of the distribution plant and substation at Winnipeg, which will probably entail another $1,500,000, the engineering cost would thus be $162,500. Of this amount, of one item it is found that $97,000 has already been expended. It may be said that a large part of the engineering expense would naturally be incurred during the early stages of construction. Admitting that $97,000 of $162,500 is a fair beginning towards expending the whole estimate. The tramway from the river to the works was estimated to cost $200,000. The actual cost will be $237,000. Excess over estimated expenditure will likely be found in other branches of the work.

The street railway company, as is known, offered the city of Winnipeg 10,000 horse-power at $18.40. This is practically the same rate at which power is offered or is to be supplied by the Ontario Hydro-Electric Commission to the city of Toronto. The Winnipeg city council have decided not to accept the company's offer. The proposed power scheme is the result. That is a possibility of power at a comparatively low rate. As an alternative the citizens must expend between five and six millions of dollars—a point which should be thoroughly considered. It will be by the English investors when debenture issues are offered them. Municipal projects are right in the right place; but it is a serious question for Winnipeg to decide whether the present is a justifiable municipal enterprise.

One reason advanced for proceeding with the work is that already half a million dollars have been expended. That is no more logical a reason than for a man to court death because he is partly drowned. As is known, the city has already offered in Canada $600,000 of these bonds. Both Canadian and United States buyers had them under consideration. The cold comfort and stern fact is on record that for them not a single offer was received. We understand that instead of bids the city council received advice regarding the dropping of the project. It is an open question whether a large flotation will be more favorably regarded.

If the power bonds are issued at the same time as the bonds for general expenditure it may happen they will stand a better chance. That may be considered a case of gilding the power bonds by issuing them with debentures of a better character. Tenders for about $1,500,000 worth of work and material have been called for by the Winnipeg city council. Probably an attempt will be made in London to float the power bonds, together with some of the general bonds of the city. Before the final step is taken the whole affair should be thoroughly understood by Winnipeg individually. If satisfied, they and their scheme must take their chance in the English money markets.

## SOME OTHER PHASES.

Originality marks most the Mexican controversy. All the time it has been a case of more light on the subject and more power to the elbow. Of the proposed lease of the Light and Power Company to the Tramways Company opinions differ as to its advisability and profitableness. The shareholders should have by now fairly good ground on which to base conclusions.

One of the most satisfactory features has been the action taken by the English shareholders. We refer not so much to their objections but to the fact that they have objected. It exhibits an intimate interest in their company's affairs. It is a refreshing interlude to the cut-and-dried programme. The English shareholder has a reputation for delving. His thirst for knowledge is almost unquenchable. The sang froid of the director who runs in grooves thus is often considerably disturbed. The Do-you-agree-to-this-motion is not infrequently met with a shareholding chorus of No. If the more direct Are-you-dissatisfied, chances to be put, the affirmative is as likely to be iterated as is the negative.

The captious critic is an undesirable element and a menace. Usually he is reckoned for what he is worth. The hostile element, when the hostility emanates from personal animosity, is also labelled a small quantity. The shareholder who wants to know because he wants to know counts most. Too often is the balance sheet presented and passed in quicker time and with less examination than is a butcher's bill. Many a tragedy has lurked beneath a financial statement. Many an undesirable citizen has hidden in the circles of a balance sheet's figures. Many a hotbed of subtle corruption has smouldered beneath the glossy texture of an annual report.