

suffering. Not having had recourse to violent remedies our own progress towards easier money conditions must necessarily be at a slower pace.

As for the stock markets, the chief thing to be remembered by investors is that they have been under influences wholly abnormal. A reasonable facility for borrowing money is as the breath of life to the Stock Exchange. For a time that facility hardly existed, and it existed in a very limited way for a further while. It can be repeated that when easier money rules, when call loans in New York are going at 1 and 1½ p.c., and when Montreal and Toronto rates come down, that an important rise will occur in standard stocks whose dividends are reasonably secure at present rates, allowing for a depression in trade.

ASSESSMENT NOTES AS ASSETS.

Our mutual fire insurance companies would like to have the premium notes given by their members considered as assets; which desire to swell their apparent resources is only natural. But rightly enough, this is not permitted by our Federal Government, for the reasons that fire insurance to be on a thoroughly safe basis is looked upon as a cash, not a credit, transaction; and that therefore there must be sufficient funds in tangible or negotiable securities to meet all liabilities. Many of our stock companies have subscribed, but uncalled, capital. The resources which this represents have certainly fully as strong a plea to be taken as an asset as the premium notes of the mutual companies. Indeed, of the two it would appear that the latter resources were more available than premium notes. With the United States fire insurance companies there is no capital beyond what is paid up, and when the assets fall short of the liabilities the company either retires or new capital is created. In Canada we have followed the English method of having a subscribed capital of which a certain portion is paid up leaving the shareholders liable for the remainder in case of necessity, and this plan, though it does not add to the assets properly so called, does give an additional security which admits the cash capital of a company to be partially and temporarily impaired without entailing bankruptcy.

But this is not exactly a parallel instance with mutual companies, in which the members, who are not only insurers but the partners or shareholders of the concern, issue policies by which they guarantee one another against losses upon the credit system. Thus, their notes not merely represent the ordinary running losses which may, and from experience do, occur; but also extraordinary losses from more than usually disastrous fires.

Book debts should never be considered equal to cash or other negotiable securities. As a *reductio ad absurdum*, suppose for a moment that a stock company were to collect only ten per cent. of \$200,000 premiums, leaving \$180,000 on credit.

The impossibility of the Insurance Department allowing this balance to be entered among the companies' assets would be manifest. And there seems no valid reason why the mutuality of a company should essentially alter the Government requirements in this regard. The adoption of this view does not, of course, involve condemning the principle of mutual fire insurance, but simply asks that all companies, mutual or stock, should be equal in the eyes of the law.

A MUNICIPAL BOARD OF CONTROL.

Administration, unlike legislation, should be in the hands of the few rather than the many. That this is an axiom for municipal government is the firm opinion of Mayor Coatsworth, of Toronto. In his interesting speech upon the origin, functions and working success of the Toronto Board of Control, the Mayor traced the evolution of the plan by which that city has arrived at its present methods of conducting civic business. In the days prior to 1896 the city suffered from the administrative regime of large aldermanic committees under an unwieldy executive committee. The first step towards changed conditions was the electing, by the council, of a Board of Administration, made up of three aldermen and the mayor. From this beginning was developed gradually the present plan, under which the civic Board of Control is composed of four controllers, elected by the ratepayers at large, with the mayor as its ex-officio chairman.

The functions of the board were summarized as including:

- (a) the preparation of civic estimates and fixing of tax rates;
- (b) the putting into shape of practically all civic affairs for consideration by the council;
- (c) the supervision of departmental activities and expenditures, the recommending of contracts, and the awarding of them after authorization by the council;
- (d) the nomination to vacancies in the civic service;
- (e) any other duties relegated to it by the council,
- (f) the taking over of practically all civic business during the council's summer vacation.

In the matter of estimates and expenditures, the recommendation of the board may be decreased by a majority vote of the council or referred back to the controllers, but can be increased only by a two-thirds vote.

For such an organization, Mayor Coatsworth claimed all the advantages of administration by commission, without any semblance of the arbitrariness that might be feared from doing away with a legislative body. He asserted strongly that the council's real usefulness was enhanced, not detracted from, by placing the burden of administrative responsibility upon a board whose time and energies could be more fully devoted to executive work.