VANCOUVER'S FINANCIAL POSITION.

Proposed New Waterworks System—British Columbia Electric Railway Want Consolidation of Franchises.

(Staff Correspondence).

Vancouver, Nov. 5th.

This week the civic board of works approved the engineer's recommendation for $500,000 local improvements. A letter was read from the city comptroller, stating that the city's borrowing power only allowed for $1,500,000 up to December 31st. Other money by-laws would come up for approval at the civic elections and that sum might be exceeded. The city council has now to approve.

Owing to increased assessment, the city's borrowing power will be increased approximately $4,000,000 next year. The annexation of the suburban municipalities which trade and labor in the city is under consideration. It will cost $2,000,000 to annex South Vancouver, which will leave only $2,000,000 of the increase for the annexation of Hastings townsite and Point Grey, without considering the many large expenditures due to the continued growth of the city. With the present system of civic government, the aldermen are able to only pay attention to the present. Consideration of affairs lack continuity, hence they lose sight of the many demands on the city treasury. With the incoming of outside districts, the city's borrowing power will be largely increased but that increase does not operate until two years after annexation. Vancouver must proceed cautiously with needful improvements or postpone annexation of neighboring municipalities.

Large Expenditure for Water Works.

Another large proposition is the expenditure of $690,000 for waterworks purposes. This does not affect the taxation rate, since the waterworks are more than self-sustaining. The reason for this added capital expense is the duplication of the supply main to the Little Mountain reservoir. Vancouver has two sources of water supply, one from the Capilano river and another from the Seymour. In the event of one failing, there is the alternative source. It is proposed to dredge the Narrows entrance to Vancouver harbor, and while this is going on, the supply from the Capilano may be stopped, as four mains cross the Narrows. It is proposed that a large main be laid from the Capilano to the Little Mountain reservoir by another route, so that when the Narrows is being bettered, there will be enough water for all requirements. When all the improvements are completed, including an extension of the Seymour intake, there will be a supply of 35,000,000 gallons daily, equalling that of Seattle, with a much larger population.

Electric Railway was Franchises Consolidated.

Application is made to Vancouver city by the British Columbia Electric Railway Company for the consolidation of its franchises in Vancouver, South Vancouver and Point Grey for a term of years. The franchise for Vancouver expires in 1918, when the city will have option of purchase; in South Vancouver and Point Grey the term is forty years from date. With the prospect of annexation of these two municipalities, it is desirable from all viewpoints that consolidation be effected. The company suggests twenty-five years from date, that is, it will drop fifteen years from South Vancouver and Point Grey, adding seven years to the Vancouver franchise. Some of the members of the civic committee are in favor of a twenty-year term, while the Mayor suggests a compromise at 22 years. The company will not accept twenty years, while if a twenty-five year term is granted, it will make concessions, giving one per cent. more on the annual gross receipts, and regular city fares in all the municipalities referred to.

Crowth Would be in Suburban Districts.

The representative of the company pointed out that it did not desire to act selfishly in the matter, as it could do better without consolidation, it could construct only those lines which would prove the most profitable, instead of putting in the system on a basis of future needs. Besides, the growth would be in the suburban districts, and the city cars after 1918 would supply the passengers to these. The company's capital is now $25,000,000, and this will probably be increased to $26,000,000, most of which is invested on the mainland of British Columbia. Its interests on Vancouver Island are more centred, being located in Victoria, with the development of the waterpower on Jordan River.

Arrangements have been made for the establishment of a monthly steamship service between Montreal and Halifax and South American ports.

INTERESTING COMPANY JUDGMENT.

(Staff Correspondence.)

Vancouver, B.C.

In the county court at Vancouver, His Honor Judge Grant has handed down the decision that an extra-provincial company doing business in British Columbia, but not registered here may use the courts of the Province to recover an existing indebtedness which said company has taken over from another party. In the small debts court, the Carman Manufacturing Company sued one Potter, who had bought out a business in the city, agreeing to pay the debts owing to wholesale firms, which included a balance due the plaintiff company. Judgment was given for the company. In the appeal, a main item in the defence was that the plaintiff company was not registered in British Columbia, and, therefore, was not entitled to use the courts in an action of this kind. The judge said it could, and dismissed the appeal.

The new Companies Act introduced at last session of the Legislature has been the subject of much comment abroad, and much heart-burning at home. Many deputations called upon the Premier and the Attorney-General at Victoria, but no change was made and no alteration was promised. The boards of trade took the matter up, and after copies of similar Acts had been gathered from other provinces of the Dominion, it was discovered that the local enactment was little different from them. This is the first action of a company in the courts, and if no further appeal is made, it will set a standard. It is not improbable that a further appeal will be made, as the point is a vital one.

FRATERNAL INSURANCE

The two federations of fraternal societies in the United States have happily agreed upon measures of very great importance to such bodies. They now approve the measure outlined by the September gathering of insurance commissioners, relating to the safeguarding of fraternal insurance which amounts to $9,000,000,000 in that country. This measure requires minute information to be given the members and the insurance commissioners about the financial affairs of every society, and gives the department in each state power to prevent mismanagement, mergers, or insolvent conditions.

President J. J. Hynes, of Buffalo, says of this welcome stand: "Fraternal insurance, in general, gains immeasurably by this stand, for it assures the perpetuity of the institution. The elements of weakness (in the fraternities) seized upon by old line companies will be eliminated and this done, not only voluntarily, but with the active aid and support of every reputable fraternal insurance society of importance in the United States * * * * and intrenching the position of fraternal insurance as a beneficent institution."

The reproaches so long and deservedly levelled at assessment societies for promising what they could not perform because they did not charge enough for the benefits they agreed to give, will be no longer deserved if the legislation outlined above is adopted. And the societies themselves are likely to be much benefited by being placed in a position to carry out their contracts in full and in intelligent, good faith.

NORTHERN MORTCACE COMPANY.

The attendance at the first meeting of the Northern Mortgage Company, held in Winnipeg, was large, and much interest taken in the proceedings. It was intimated that the provisional directors upon finding that there would be a ready response to the invitation for subscriptions to the stock, immediately took steps to place loans up to the amount of stock payments expected. Arrangements were therefore made with banks to advance the necessary funds, with the result that the company had already loaned about $287,000 of its funds.

The directors elected were as follows: J. H. Ashdown, D. K. Elliot, G. V. Hastings, Geo. W. Allan, J. A. M. Aikins, J. H. Brock, J. Hanbury, A. Macdonald, J. A. McDougall, R. D. McNaughton, J. Robinson, Capt. W. Robinson, F. W. Stobart.

The directors have not yet met for the election of officers. Some of those selected were not in the city, and it was thought best to defer the election until such times as a full meeting of the directors can be obtained.

Messrs. Marwick, Mitchell & Company were appointed auditors.