

MANITOBA'S CREDIT

As pointed out previously in *The Monetary Times*, the credit of Manitoba has been harmed by the recent revelations in connection with the parliament buildings scandal. At a meeting in Winnipeg recently, Mr. Edward Brown, the new provincial treasurer, told his audience that he had caused an independent audit to be made in order to draw a line between the old and new administration. The audit report showed a cash deficit of \$1,096,000 on May 15. At the end of last year there were outstanding debts of \$1,263,000, of which no word had been given the public accounts committee, nor had it been mentioned by the late provincial treasurer. The bonded indebtedness of the province the audit showed to be \$27,000,000.

Mr. Brown apparently recognizes how investors would regard a new issue of Manitoba securities just now, for he stated that he did not intend to go to the world's markets to finance the province, but would borrow money from the government telephone floating capital, paying five per cent. for five years.

A serious undertaking confronts whatever government will conduct the affairs of the province during the next few years. It is futile to deny that the credit of Manitoba has been badly besmirched by the political debauch in that province. A big task is ahead for clean administrators and citizens who will take an interest in the proper conduct of provincial affairs and the safety of public funds.

Be cautious with those "war order" rising stocks!

CREDIT

A believer in cash payments or short time credits, Mr. Henry Ford, the Detroit automobile manufacturer, has built up an immense business, made a fortune for himself and partners, been able to give high minimum wages to his employees and to allow them to share profits. At the Milwaukee convention of the Wisconsin Bankers' Association, Mr. Ford sent a statement giving a summary of his ideas on credit. He sees no reason for extending long credits on automobiles or farm machinery until they are practically worn out, and likened this practice to a system whereby horses could be purchased on credit, and paid for after they are dead.

The Ford company, he said, is not interested in encouraging plans for long credits on motor cars or anything else. He pointed out that the farmers get cash for everything they sell and should pay cash for what they buy instead of asking for long time credits on purchases. He thought the country bankers should encourage cash payments or short time credits.

The Michigan-Alberta Farming Company, Ann Arbor, Michigan, \$100,000, has been registered to do business in Alberta.

"*The Monetary Times* is doing Canada a good service in keeping such close tab on the fires of the Dominion."—The Kingston (Ont.) Standard.

Canadian officers and men at the front, it is stated by returned officers, subscribed to the British war loan by the purchase of bonds and vouchers. The pay officers were empowered to bring to the men's notice the loan and its conditions.

Manufacturers pay vast sums for labor and buy material on short time credit and therefore should not be expected to finance purchasers of their products, is Mr. Ford's contention.

An analysis of the present situation in Canada shows that with our heavy volume of war orders and the prevailing high prices for agricultural products, the Dominion is obviously better off than would have been the case without the advent of war. The economic depression through which we are passing was coming anyway. Long credit terms during the palmy days were one of the causes of our troubles. The healthy liquidation which has been in process during the past two years has given striking examples of what harm and dangers can come from excessive credits. Mr. Ford's principles of cash or short credits properly can be applied to business generally and not only to the automobile industry.

ESTATE ADMINISTRATION

The estate of the late Edward Chantler Walker, of Walkerville, Ont., valued at \$4,125,000, is one of the largest in many years to be entered for probate in Ontario. The National Trust Company, of Toronto, has entered for probate, the will of the late Mr. Walker, and this fact recalls again the great importance of reputable trust companies in the care and administration of property. Some details regarding the estate are printed elsewhere in these columns. From these it will be seen that an intricate task has been given the administrators. The information regarding the Walker estate is of interest in itself and also in its bearing upon the larger aspects of property management.

Those controlling large interests are with increasing frequency appointing trust companies to deal with their estates as executor and trustee. This tendency is not without significance to those who possess smaller properties and are anxious to safeguard their resources for their dependants. Effective management is important also for estates of moderate extent because incompetence in the control of these often means not merely loss but actual impoverishment to the owner's survivors. Those, therefore, whose resources are moderate may note the course of men whose interests are extensive, who may on this account be considered judges of various kinds of administration, and who select a trust company of high reputation and proved experience to safeguard their estates for their heirs.

The big and the little estate are equally important, so far as the owners and those whom it is desired by the owners to benefit are concerned. The improper administration of a small estate might cause just as much trouble and suffering in comparison as might the wrongful handling of a big estate. That is the reason why the business of legitimate trust companies in Canada is increasing very rapidly.

The following companies have increased their capital stock: St. Mary's Medina and Kirkton Telephone Company, Limited, with Ontario charter, from \$40,000 to \$100,000; Tisdale Trading and Milling Company, Limited, with Saskatchewan charter, from \$50,000 to \$75,000; the Bulyea Rural Telephone Company, Limited, from \$140 to \$350; the Great West Rural Telephone Company, Limited, from \$100 to \$200; the Heward Rural Telephone Company, Limited, from \$4,500 to \$6,000; Young Rural Telephone Company, Limited, from \$375 to \$500; Good Hope Rural Telephone Company, Limited, from \$200 to \$500, the last named five having Saskatchewan charters.