

THE BANKS' MUNICIPAL LOANS.

The figures of the banks' loans to cities, towns, municipalities and school districts have now been available for comparison over a period of nearly a year. Since last July, when the amounts were first published in the monthly bank statements, these loans have been steadily on the down-grade. To their municipal as to their commercial borrowers, the banks have adopted a policy of restriction in the last twelve months. As outstanding temporary financing was closed by the issue of long-time debentures in the London market or elsewhere, the municipal authorities were given to understand that new loans could not be granted but that they must fall in with the prevailing trend of the times and restrict their expenditure. Thus the banks' municipal loans have been steadily brought down by 13 millions in nine months, from \$43,121,384 at July 31st last to \$30,168,812 at April 30.

The following are the figures of the various months:—

April, 1914.....	\$ 30,168,812
March.....	31,890,843
February.....	30,372,854
January.....	29,301,620
December, 1913.....	30,518,573
November.....	35,173,817
October.....	37,846,369
September.....	37,465,383
August.....	41,310,281
July.....	43,121,384

METHODS OF MUNICIPAL BORROWING.

Under ordinary circumstances the municipalities borrow in two distinct ways. They borrow from the banks, as was recently explained by Sir Edmund Walker, to provide for ordinary routine work in order to overcome the difficulty of waiting until they have collected their taxes. This they are permitted by the Municipal Act to do to the extent of 80 per cent. of the tax toll. They also borrow from the banks—or have done in the past—in anticipation of the sale of securities in London or elsewhere, which may have been authorized for some particular municipal undertaking—water supply, sewers, pavements.

The latter practice grew up as a result of the ease with which Canadian municipal bonds were sold in England. It was simpler for a city to complete the particular piece of work it was authorised to undertake and then issue its bonds than to guess at the ultimate cost and delay starting work until it had the money in hand. The banks were quite agreeable, in view of the fact that there was likely to be no trouble about raising the money eventually. But since municipal bonds became less welcome in London than they used to be, the banks decline to lend on the old terms. Thus it is that for the present at least the municipalities have to submit to a wholesome curtailment of this money-spending activity.

A GENERAL REDUCTION.

Following are the details of the banks' municipal loans as at July 31 last, and as at April 30:—

	July 31, 1913.	April 30, 1914.
Montreal.....	\$ 6,494,440	\$ 3,394,457
Quebec.....	306,669	252,894
Nova Scotia.....	723,781	1,013,377
British.....	4,906,247	2,499,240
Toronto.....	2,381,317	2,145,481
Molsons.....	982,139	922,176
Nationale.....	542,569	493,251
Merchants.....	1,315,716	1,142,841
Provinciale.....	2,359,7	421,185
Union.....	3,739,229	2,367,536
Commerce.....	4,166,519	2,412,073
Royal.....	3,316,662	2,255,951
Dominion.....	727,383	470,353
Hamilton.....	1,536,117	1,443,538
Standard.....	1,513,568	1,194,188
Hochelaga.....	2,148,452	888,756
Ottawa.....	3,813,173	2,735,066
Imperial.....	3,274,706	3,656,228
Metropolitan.....	68,058	15,852
Home.....	242,863	102,550
Northern Crown.....	398,780	250,591
Sterling.....	156,200	53,375
Vancouver.....	83,133
Weyburn.....	35,456	37,853
Total.....	\$43,121,384	\$30,168,182

It will be seen that in the case of only four of the banks did their municipal loans stand at a higher figure at April 30 than at July 31 last. In the majority of cases sweeping reductions have been made. Thus the Bank of Montreal has reduced its municipal loans in nine months by \$3,000,000; the Canadian Bank of Commerce by nearly \$2,000,000; the Bank of British North America by \$2,500,000; the Union by \$1,400,000; the Royal by over \$1,000,000; the Hochelaga by \$1,300,000. It may be anticipated that for some time to come, the banks will continue to keep a firm hand upon their municipal borrowers.

INSPECTION FOR ACCIDENT PREVENTION.

It is not possible to stop an accident of a particle getting into the eye, nor is it possible to prevent cross-bars from slipping and many like conditions, but, should a rope break or a chain give way, it in most instances is a preventable accident, and it is up to the safety department to see who was negligent in not giving this condition proper attention and inspection before the rope was put into service or having it properly inspected during service.

BUSINESS FAILURES LAST WEEK.

"Bradstreet's" reports 304 business failures in the United States during the week, against 247 for the previous week and 231, 289, 239 and 215 for the corresponding weeks of 1913 to 1910. The Middle States had 91, New England 34, Southern 73, Western 61, Northwestern 16 and Far Western 29. Canada had 37, against 40 for the preceding week. About 87 per cent. of the total number of concerns failing had capital of \$5,000 or less and 9 per cent. had from \$5,000 to \$20,000 capital.