

That such events can happen is best proved by the fact that they have happened. Red Deer, an otherwise progressive Western town, lost some debentures twelve months ago. No trace of them could be found. The other week they turned up, in true Micawber style, in a big departmental store at Winnipeg. There they had almost become waste paper. A somewhat similar fate has just befallen \$12,000 worth of Ingersoll, Ont., debentures, purchased by the town with its sinking fund. During the course of an audit held in January inquiry was made for the debentures, and they could not be located. It was stated they had been handed to the late treasurer, but no sign of them could be discovered. The town chanced to hold a chartered bank's receipt for the debentures, and the bank, recognizing its liability in the matter, we understand, accordingly issued a bond of indemnity. But surely a great part of the blame for the occurrence rests with the municipality. At Medicine Hat—and enough good sense is there to effect speedy reform—it cannot be ascertained what debenture coupons, if any, have been returned, without going through packages.

It is clear that the careful filing of matured debentures is of primary and great importance. The system in general use, and which has been found to work smoothly, is the keeping of a book, similar to a commercial invoice book, headed with the number of the debenture, date of issue, etc. The rest of the page is ruled in squares, and these are numbered from one up. Each coupon as it is paid is pasted in the square corresponding to the coupon number. When the debenture is paid, it is also pasted to the page. This method may appear homely, but it has the advantage of safety. It would be interesting to hear from city treasurers as to how they file and safeguard their debenture coupons.

The city of Regina has also received some advice from its auditors. They describe the bookkeeping methods there as cumbersome and antiquated. What a contrast that is to the imposing and progressive appearance of Saskatchewan's capital. We feel sure that the authorities will lose no time in instituting a modern and creditable accounting system to harmonize with Regina's municipal spirit, which is fully abreast of the times, except perhaps in that one respect. Here, again, there is no proper method of taking care of paid debenture coupons. Then, according to the report of the auditors the amount which should have been set aside for sinking funds on debentures issued, is more than ten thousand dollars short of the required sum. We fully agree that this should be immediately provided for, with interest on same from January 1st, 1909.

Now all these things are eminently unfair to the investor. If in reply to an invitation to place his money in the upbuilding of a growing town, he says: "No; your careless accounting system makes your investment valueless; your sinking fund is sinking too literally," it is perhaps only the deserved answer. In both instances cited, the financial substantiability is undoubtedly all right. In theory, in bookkeeping, it is not. One can never be sure, in these days of municipal, national and international surprises, that the theoretical will not be reflected in the mirror of the actual. A city's financing should be clean and straightforward, and its accounting system should be in keeping.

Another matter in which a change appears desirable is the affording of publicity to municipal accounts. Both Regina and Medicine Hat publicly printed their statements, together with the severe criticisms of the auditors. That was a creditable action anyway, and probably a harbinger of reformation. Other towns and cities publish their annual reports in local newspapers and circulate them also in pamphlet form. That is well, but the general information as shown in the civic account books should be available always to those who have a right to be interested—the ratepayer, the investor, the municipal bond

firm, the Press. There has prevailed generally a hostility to overtures made for the obtention of financial particulars. If the municipality has no reason to observe secrecy, it has everything to gain by publicity. The Monetary Times has made a request to several hundreds of town clerks and city treasurers for copies, regularly, of their annual and other statements. The result has been hitherto that only a dozen or so have deigned even to reply with a simple letter.

Publicity is the best safeguard of municipal and all credit. To follow intelligently the turns in the labyrinths of civic finance, it is necessary to be posted periodically with details, officially vouched for. That is not the same thing as information being afforded only when it suits the municipal authorities.

The municipal bond is attracting much attention, and it is, therefore, well to see what is beneath. The bonds of cities and towns which recognize the elementary principles of sane and conservative finance, which appreciate the absolute necessity of proper bookkeeping and accounting systems, and which give effect to the policy of continual publicity, are usually first-class investments. Loose methods will never attract the desired dollars and cents. While a large business has been transacted in these securities, the future will mean a far greater volume. Before that comes, the municipalities which have not as yet done so, will find that their financial methods must be straightened and brought alongside of the times. Otherwise, municipal credit, in some parts of the country, will be a disappointing farce.

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#### EDITORIAL NOTES.

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A fellow, sandwiched between two billboards, is to be seen ambling along the streets of Toronto. He advertises mining stock. But the pearl is in the orthography of the signwriter, who has said that "a limited quality" of shares is for sale.

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The Ontario Government have exercised a wise discrimination in refusing to be drawn into an expensive Gow Ganda railroad policy. That district has yet to prove itself. Should failure chance to come, the lands of Gow Ganda will remain where they are, which fact matters little. A Government-built and owned railroad would also stand, which matters more.

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The late Aeneas McCharles set a worthy example in connection with his bequest of Provincial Government bonds of the value of ten thousand dollars. The cult of statue erection to the memory of discoverers or to heroes worshipped, is making way for the practical encouragement of those inventors and others to whom the dollar's value necessarily appeals. The interest from the Provincial Government bonds in question will be given from time to time, like the Nobel prizes in a small way, (1) to any Canadian, whether student or not, who invents or discovers any new and improved process for the treatment of Canadian ores or minerals of any kind, after such process has been proved to be of special merit on a practical scale; (2) or for any important discovery, invention or device by any Canadian that will lessen the dangers and loss of life in connection with the use of electricity in supplying power and light; (3) or for any marked public distinction achieved by any Canadian in scientific research in any useful, practical line. The McCharles prize, as it is called, is valued at one thousand dollars. A committee to make the award has been appointed by the Board of Governors of the University of Toronto. The bequest of Mr. McCharles offers for all time a compensation for the inventor. Doubtless those whose studies have led them into the particular channels indicated will lose no time in hastening their experiments towards the realms of the tangible—and the reward.