

TORONTO CITY MUST RETRENCH

Finance Commissioner Bradshaw Presents Important Report

That a stern policy of retrenchment must be pursued in its financing, is the counsel given to the city of Toronto by its finance commissioner, Mr. Thomas Bradshaw, in a striking report presented to the board of control yesterday. Mr. Bradshaw, who enjoys a notable reputation throughout the continent as a financier and actuary, points out the vital necessity for economy on the part of the city authorities. He supports his advice with indisputable facts and figures, and states that the rapidity with which the debt has increased in recent years, together with the prospect of what it will attain when the present undertakings are completed, are such as to justify serious apprehension. The report is the topic of considerable comment in various quarters, for it is recognized that Mr. Bradshaw's conclusions and recommendations have been arrived at only after the most careful analysis of the facts. In short, it is felt that the city of Toronto must listen to and act upon what amounts to a serious warning in regard to the heavy increase in the city's debt, especially in the past decade, and the tendency to a further heavy increase.

Growth of Debt.

Mr. Bradshaw points out that at the close of 1915 the permanent debt of the city was \$86,146,524. When the works now under way are completed, and bonds issued, the permanent debt of the city will not be less than \$109,000,000, or over four-and-a-half times what it was in 1905, when it totalled \$24,066,916. In 1910 it had increased to \$37,967,039. Mr. Bradshaw points out that his estimate of a debt of \$109,000,000 does not include the contemplated works that have not been commenced, estimated at \$21,000,000, and the war liability which is not at present determinable.

Figures are cited showing the position of the affairs in regard to the municipality's undertakings. The following is a summary:—

Civic undertakings, recently completed but not permanently financed, funds having been provided through temporary loans	\$ 9,991,461
Works proceeding, but financed by temporary borrowings, \$3,266,154 having been already paid out, leaving yet to be provided	9,504,737
Works being actively proceeded with and permanently financed, \$15,884,496 having been paid out, leaving yet to be expended	6,997,738
Works in contemplation but not yet commenced..	21,059,642

Will be Big Overdraft.

Mr. Bradshaw points out that so far as can be ascertained now, there will have to be provided by way of overdraft or loan by December 31, on account of current expenditures, the sum of \$5,225,000. This large amount, he says, will practically represent arrears of revenues, taxes, etc., which should have been paid in this and previous years, but which will not be received until some time after the close of the year. He declares that the substantial amount of current revenue, approximately \$5,000,000, which is constantly in arrears, compels the city to be a much heavier borrower than should be the case, and makes the municipality dependent upon its bankers. The city is compelled to pay \$250,000 a year for this accommodation.

"It appears to me," he adds, "that we should aim to so regulate the receipt of our revenue, that it will closely harmonize with the period of its expenditure."

Some Important Recommendations.

He also recommends that in respect to undertakings involving capital charges, the policy be adopted, that no new work, service, etc., shall be recommended, authorized, or proceeded with, during at least the period of the war, unless good and sufficient evidence can be adduced that the same is absolutely necessary, and, that all the outside boards be asked to adopt this policy also; and that a conference be held to determine what contemplated works may be deferred for some years.

The Toronto authorities are expected to give serious consideration and action to the report. Meantime, the issue of the document should cause other cities and towns to indulge in a little self-examination.

MR. GOLDMAN IS NORTH AMERICAN LIFE'S PRESIDENT

Mr. L. Goldman, who is well known in life assurance circles as the managing director of the North American Life Assurance Company, was at a meeting of the directors yesterday elected as president of that company, succeeding the late Mr. E. Gurney. Mr. W. K. George was elected first vice-president, Colonel D. McCrae second vice-president, Mr. M. J. Haney chairman of the executive, and the vacancy on the board of directors was filled by the election of Mr. W. Cromwell Gurney, who is now head of the Gurney Foundry Company.

ADDITIONAL WAR LOAN SUBSCRIPTIONS

The following additional subscriptions to the war loan have been reported to *The Monetary Times*:—

Montreal Locomotive Works	\$250,000
Nipissing Mining Company	100,000
Henry J. Fuller, Montreal	30,000
J. S. Hamilton, Brantford	10,000

These additions make a total of \$107,455,000, the details of which have been printed in these columns. The main list of the subscriptions making that total are published on page 22 of this issue.

The Nipissing Mining Company is also purchasing a considerable quantity more of the war loan in the open market. Through the St. John and Halifax offices of the Eastern Securities Company, subscriptions were received amounting to \$1,175,000. The chartered banks at St. John received subscriptions amounting to \$2,000,000.

Mr. H. J. Fuller is president of the Canadian Fairbanks-Morse Company, Limited, Montreal; he also holds a high position with the Fairbanks Company in the United States, and makes his headquarters New York, although much of his time is spent in Canada. He is as much interested in Canada, financially and otherwise, as he has ever been, and he is one of the best advocates that Canada has in the United States.

The finance department, Ottawa, has cabled the British government an offer to advance \$50,000,000 as a credit for the use of that government for the purchase of supplies here. This is possible on account of the oversubscription of the war loan, and will make a total of \$201,000,000 advanced by Canada in this way. The banks will furnish the money, as their \$50,000,000 subscription to the war loan will not be needed for war loan purposes.

WEEKLY RAILWAY EARNINGS

The following are the earnings of Canada's transcontinental railways during the three weeks ended September 21st:—

Canadian Pacific Railway.			
	1916.	1915.	Increase
September 7	\$2,679,000	\$2,002,000	+ \$677,000
September 14	2,214,000	2,728,000	+ 514,000
September 21	2,779,000	2,408,000	+ 371,000

Grand Trunk Railway.			
	1916.	1915.	Increase
September 7	\$1,276,061	\$1,091,711	+ \$184,350
September 14	1,054,808	1,263,629	+ 208,821
September 21	1,320,277	1,061,047	+ 259,288

Canadian Northern Railway.			
	1916.	1915.	Increase
September 7	\$ 708,900	\$ 456,500	+ \$252,000
September 14	590,900	668,000	+ 77,100
September 21	726,000	654,700	+ 71,300

The Canadian Northern Railway's statement of earnings and expenses for August, 1916, is as follows:—

	1916.	1915.	Increase.
Total gross earnings..	\$3,684,900	\$1,983,600	+ \$1,701,300
Operating expenses ...	2,612,900	1,525,900	+ 1,087,000
Net earnings	1,072,000	457,700	+ 614,300
Aggregate gross earnings from July 1st.	\$7,519,100	\$3,945,300	+ \$3,573,800
Aggregate net earnings from July 1st.	\$2,269,400	\$ 944,100	+ \$1,325,300