

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663.
G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One Year	Six Months	Three Months	Single Copy
\$3.00	\$1.75	\$1.00	10 Cents

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

PRINCIPAL CONTENTS OF THIS ISSUE

EDITORIAL:

	PAGE.
Credit for Transportation Cost	9
Finance—Simple and Complex	9
Municipal Tax Collections	9

MANUFACTURES AND TRADE:

Prosperity or Depression	5
Produce of Creameries and Cheese Factories	30
Food Commodities in Canada	34
Express Companies' Cause Considered	36
Investments and the Market	46

GOVERNMENT AND MUNICIPAL FINANCE:

December Municipal Bond Sales	27
Regina May Raise Improvement Assessment	30
Bond Market in 1918	32
Stock Exchange Review and Outlook	34
Weekly Municipal Financing	38

BANKING AND INSURANCE:

December Fire Losses	14
Bank Deposits Drop in November	18
Imperial Bank Changes	24

CREDIT FOR TRANSPORTATION COST

The date of effect of the recent order of the Canadian Railway War Board providing for payment of all transportation charges in cash, has been postponed from January 1st to March 1st in order to give business firms sufficient time to make the necessary arrangements for complying with the new conditions. All transportation charges, including demurrage and storage costs, must now be paid for in advance just as in the case of ordinary passenger traffic. Ninety-six hours credit may, however, be given upon the furnishing of a bond attested to by a bank, trust company or guarantee company. When advance notice of this order was given in *The Monetary Times* of December 27th, it was merely stated that the bond of a bank or trust company would be accepted. We are now advised, however, that guarantee companies are also eligible for this business.

FINANCE—SIMPLE AND COMPLEX

The enormous success of the Dominion government's war loans has generated a view that the easiest method of financing public or private enterprise is by securing the funds through the medium of the federal government. It is obviously easier to raise money on this security than that of any individual enterprise, or even of any municipality or province in Canada. The security offered by a nation as a whole is superior, not merely because of its size, population and the fact that it has unlimited sources of revenue, but also because it includes within its boundaries a variety of economic enterprises, the failure of any one of which would not likely imperil the safety of the nation as a whole.

That this view is not wholly theoretical can be indicated by a few concrete proposals which have already been made and two or three of which have already been put into effect. Probably the earliest were the loans made by the Dominion government to two of the western provinces in the summer of 1918. This money came from the proceeds of the 1917

Victory Loan and the loans were made ostensibly because the provinces would have to pay too high a rate of interest if they had endeavoured to borrow on their own credit. Another is the housing scheme of the Dominion government. The only justification of subsidizing, for to lend money at below the market rates is in fact subsidizing, this particular branch of industry, was that it supplies something which is essential. There are, however, many industries which are equally essential and which have just as good a claim for similar assistance. In fact the vast majority of industries are essential in some degree, and if such a policy were carried to completion, it would mean little less than the assumption by the Dominion government of the entire task of financing industry.

MUNICIPAL TAX COLLECTIONS

It has become apparent that municipal tax collections take place too late in the season, with the result that by the end of the year it is not known exactly how much can be properly called arrears. The experience of the city of Toronto, which has for several years past made the first date of payment successively earlier, illustrates the advantage of this method. The percentage paid by the end of the year has increased from 77.81 per cent. in 1915 to 84.64 per cent. in 1918. This may to some extent be accounted for by improved financial conditions but the finance commissioner, Mr. Thomas Bradshaw, has expressed his satisfaction with the setting of an earlier date for the payment of the first instalment.

It would appear to be a sound principle of municipal finance that the revenue from month to month should, as nearly as possible, meet the expenditure, so that the average municipal borrowings from the bank would be reduced to a minimum. Midsummer would, therefore, appear to be a logical date for tax payment. The course of bank loans to municipalities would then increase from the new year until midsummer, when they would drop suddenly, whereas at the present time, they continue to increase until later in the year.