

A variety of reasons has been advanced for the Dominion government's action in commandeering on Saturday all the wheat of grades No. 1, 2 and 3 Northern in store at the head of the lakes and eastward. Yet the primary reason seems to be the most obvious one—to keep the price down, despite the fact that the government propose to purchase at least 15,000,000 bushels of wheat.

The impression went abroad that the British government had asked the Canadian government to do this commandeering, but the official press bureau in London says that is not so. The Canadian government's statement on the matter says: "For many months the government has been in touch with the British authorities with a view to procuring orders from the United Kingdom and the allied governments, in order that the utmost share of the consuming demand in those countries may be turned toward our Canadian surplus. As a consequence of this, the British government has required the Canadian government to provide within a short time a very large supply of numbers one, two and three Northern wheat."

Evidently, then, the British government informed the Dominion government that they wanted wheat and would take it from Canada at a certain price, probably hinting that the easiest way not to get it at that price would be to proclaim from the housetops the fact that Great Britain was in the market. The price paid by the government for the wheat will be the closing price on Saturday on the Winnipeg Grain Exchange. The commandeering order dislocated contracts, but the loan of a portion of the commandeered wheat to those desiring to fill contracts now mitigated matters. The government, however, will probably deem it advisable, in case of future orders, to adopt a less clumsy method.

MUNICIPAL SINKING FUNDS

Mayor Costello, of Calgary, has brought to the city council's attention *The Monetary Times'* advocacy of the serial system of bond issues. The mayor admits that the general criticisms appearing in these columns of the sinking fund system apply to a certain extent to Calgary but, according to the local papers, he declares "the situation is not serious." While emphasis need not be laid upon the word "serious," the condition of the city's sinking funds is another strong argument in favor of serial bond issues. There is overdue to the city of Calgary interest on mortgages, on which sinking funds were loaned, amounting to \$31,164. Adding to this sum the arrears of taxes, repayments and insurance on the same property, the amount in arrears on such mortgages total \$75,150. While the city has arranged to place approximately \$243,000 in the sinking fund which was not placed there last year when due, that apparently will still leave the city unable to put any money in the sinking fund this year, the municipality thus owing \$490,000 to the sinking fund for 1915. In Calgary's case, however, the authorities recognize where the trouble lies and will probably seek to remedy it. Mayor Costello says he favors the issue of bonds in future by the serial instead of the sinking fund system.

But there is still another lesson to be learned from Calgary's financing and that is the unwise policy of investing civic sinking funds in mortgage loans. *The Monetary Times* has frequently advised against that policy. As stated above, there is overdue to the city of Calgary interest of over \$31,000 on such mortgage loans.

FOR CONSIDERATION

Regarding the too numerous reorganizations of industrial corporations in Canada, here is a caustic criticism from the Old Country. A Montreal reader of *The Monetary Times* has received this comment from a man of considerable standing overseas:—

"We Old Country folks are fast losing confidence in your great country, not so much on account of its productiveness and possibilities, but on account of the men in control of many of your business undertakings."

Then follows some somewhat caustic strictures on the parent company. Unfortunately, there have been good reasons for the complaint. The sinning has already proved costly and the methods must be changed; perhaps they are changing now.

BRITAIN'S FINANCING

Canada has done well in oversubscribing its war loan. To a country which has borrowed over \$3,000,000,000 outside of its borders the subscription of a \$50,000,000 war loan within its borders is an interesting event. While for many years we must continue to borrow heavily, the country's production and consequently wealth, is growing larger each year. Not for many years yet can we become a lending country, but at the same time the present domestic loan shows what it is possible to do here when the necessity arises.

The recent Dominion loan makes an interesting basis for comparison as to what Great Britain is doing in the way of war financing. As the Hon. R. H. Brand pointed out in an address at Montreal this week, Canada's loan of \$50,000,000 would finance British war expenditures for just forty-eight hours. Taking the population of the Dominion at 8,000,000 and of the United Kingdom at 48,000,000, and supposing the Canadian population to be raising loans at the same rate as the British are doing, Canada would be raising about \$1,150,000,000 a year. In other words, to equal the British financial burden, we would have to raise every sixteen days, a loan similar to that raised here last week.

Great Britain has already raised by loan, in one form or another, about £1,200,000,000 sterling. She is now spending, either on herself, or by loans to her Allies, about £5,000,000 sterling a day, or over £1,800,000,000 a year. When the recent heavy taxation comes into full force her revenue will be doubled, or, in other words, raised from £200,000,000 sterling to £400,000,000 a year—a great increase for her, and something which no other belligerent has yet attempted. Great Britain has been told officially that every man must be ready to give half his income to the State. That will still leave her £1,400,000,000 to find yearly by way of loan—a sum which will require some sacrifices.

The Greater Winnipeg Water District has closed a deal with Messrs. Wood, Gundy & Company and Dominion Securities Corporation, involving \$1,000,000 5 per cent. bonds of this district, maturing 1st April, 1920. This loan is made for construction purposes, and the bonds are similar to the \$1,000,000 loan issued by this district and sold to the same firms in April.