

BRITISH COLUMBIA SINKING FUNDS

What Municipal Act Says—An Issue of Provincial Securities Suggested

On the subject of municipal sinking funds and the resolution of the Union of British Columbia Municipalities, Mr. F. A. McDiarmid, solicitor for the union, writes to the press as follows:—According to the British Columbia Municipal Act, at the present time, sinking funds of municipalities can be invested in Dominion or provincial government securities, in municipal debentures guaranteed by the government of the province, or by deposit in an incorporated bank. These are the only methods of dealing with the sinking fund.

There are no facilities, excepting in London, England, for the purchase of Dominion government stock. There are no provincial government securities except on the same market. There are no municipal debentures guaranteed by the government of the province; and, as a matter of fact, the municipalities have been and are driven in practice to depositing their moneys in a chartered bank, as the only available place.

What Municipalities would Save.

The interest on the sinking fund may be estimated at any rate not exceeding 4 per cent. As a matter of fact, outside of the city of Victoria, no municipality has so far been able to get a better rate than 3 per cent. Up until this year the rural municipalities invested in mortgages which brought them from 6 to 8 per cent., and consequently they did not feel the strain of the sinking fund levy as they have been feeling it since, but they are prohibited from doing this under the act.

The aggregate indebtedness of the municipalities of the province, at the present time, is \$93,400,573.42. Assuming the average life of loans at 25 years, the annual amount which is necessary to be paid, by taxation from the inhabitants of the municipalities, if the sinking fund is calculated as bearing interest at 4 per cent. (and 4 per cent. can be actually realized for the moneys), would be \$318,494 less than if the municipalities only obtained 3 per cent. for the sinking funds. Or, if you assume the average annual lifetime of the loan at 10 years, the annual amount saved, if the municipalities could get 4 per cent. for their sinking funds instead of 3, would be \$367,996. Or if the municipalities could get 4½ per cent. for their moneys, the annual saving would be almost \$500,000.

Would Help to Make Reduction.

The resolution as passed by the convention at Kamloops and as submitted to the government, reads as follows:—

"Resolved that the Union of British Columbia Municipalities recommend the government to create a 4½ per cent. issue of provincial stock, with dates of repayment suitable, so that the municipalities can have an issue in which they can invest their sinking funds. This is to be optional with each municipality."

It seems to me that the idea has much to commend it. It would only help Victoria to the extent of a half of 1 per cent., but undoubtedly it would reduce the taxation of the people of the province in a most marked manner. It seems to me incongruous that, having two or three options in the statute, and four places at least, theoretically, that the municipalities can invest sinking funds at their own option, they should be driven, in practice, to depositing their money in one of the chartered banks, and all that we are asking the government to do is to provide an alternative whereby we can make the terms of the statute effective, and all that is necessary is providing some additional machinery in the office of the finance minister.

CANADIAN MORTGAGE INVESTMENT COMPANY

The annual return of the Canadian Mortgage Investment Company for 1914 shows net earnings of \$120,971, an increase of \$10,422 over the preceding year. The company's income, both net and gross, was larger than in any previous year. Including the balance of \$19,165 brought forward from 1913, the total available for appropriation amounted to \$140,137. Out of this sum \$71,307 was distributed in dividends, \$40,000 transferred to reserve fund, \$15,000 set apart as a contingent fund as a provision for depreciation in stocks owned, and a balance of \$13,830 has been carried forward. The paid-up capital of the company is \$1,208,000, and the reserve fund and undivided profits exceed \$350,000.

BEFORE THE CRASH

When *The Monetary Times* had well-defined suspicions that all was not well with the affairs of the Union Life Insurance Company, it asked one of the most prominent actuaries in Canada to analyse the company's position, so far as available figures would allow, and to make a report for publication in these columns. This report, an extensive one, duly appeared in *The Monetary Times*. It is interesting now to recall one of its paragraphs which reads as follows:—

"The method resorted to in order to enable the company to secure capital and so continue in business was ingenious. President Evans resolved to tap the pockets of English and Scotch investors in whose mind Canadian securities were becoming so rosy about 1909. To the metropolis of the British Empire, accordingly sailed the president of the Union Life, and succeeded in launching a stock proposition at which British investors appear to have bitten eagerly. It is necessary only to examine the list of stockholders in the government blue book to see that President Evans swept Great Britain from Land's End to John O'Groats, and succeeded in bringing back to Canada, over half a million additional capital for his company. Just what were the representations on which this money was secured, we do not know."

The article of *The Monetary Times* was later read in the House of Commons, Ottawa, by Mr. W. M. Martin, the member for Regina.

FISH HARVEST WORTH THIRTY MILLION

The total marketed value of all kinds of fish, fish products and marine animals taken by Canadian fishermen from the sea and inland lakes and rivers during the fiscal year ended March 31st, 1914, amounted to \$33,207,748, according to the latest report of the department of marine and fisheries.

This value falls short of that for the preceding year by \$181,716. This is accounted for by the sockeye salmon run in Northern British Columbia being smaller than usual and the decrease in the value of halibut.

Of this total value the sea fisheries contributed \$29,472,811, while the inland fisheries contributed \$3,734,937, the former being an increase of \$157,039 over that of last year, while the value of the inland fisheries decreased \$338,755.

There was a total of 71,776 men employed in fishing, on 1,992 vessels, tugs and carrying smacks, and 37,686 boats; while 26,893 persons were engaged on shore in canneries, freezers, fish-houses, etc. Of this number 86,486 were engaged in the sea fisheries and 12,183 in the inland fisheries. The number of gasoline boats used in the industry was 8,700, or an increase of 2,789 over that for the preceding year.

The following table shows the value produced from the fisheries of each province in its respective order of rank, with the increase or decrease, as compared with the year 1912-13:—

Provinces.	Value produced.	Increase.	Decrease.
British Columbia	\$13,891,398	.....	\$ 564,090
Nova Scotia	8,297,626	\$ 913,571	.....
New Brunswick	4,308,707	44,653	.....
Ontario	2,674,685	.....	168,193
Quebec	1,850,427	.....	137,814
Prince Edward Island	1,280,447	.....	99,458
Manitoba	606,272	.....	193,877
Saskatchewan	148,602	36,763	.....
Alberta	81,310	29,703	.....
Yukon	68,265	.....	42,974
Totals	\$33,207,748	\$1,024,690	\$1,206,406
Net decrease	.....	.....	\$ 181,716

The above table shows that British Columbia again produced the greatest value, although this was much lower than for the previous year. The decrease is wholly due to the comparative smallness of the sockeye salmon run in Northern British Columbia, and to a smaller halibut catch, with a much lower value.

Nova Scotia was the only province to show a substantial increase, while New Brunswick, Saskatchewan and Alberta showed slight increases over the previous year.