

increase in the revenue of nearly \$12,700, this was more than offset by an increase of over \$20,000 in the operating expenses. The result was that despite the substantial increase in the revenue there was a decrease of nearly \$8,200 in the surplus compared with that of the previous year. Happily, there was still a balance of \$1,794.71. But had the estimates been on an operation at cost basis, it is reasonably certain that the year's operations would have resulted in a substantial deficit—to be met, of course, out of general taxation:—

Lethbridge Waterworks Department

In the operation of its waterworks department the city of Lethbridge had a deficit of \$816.58 for the year 1918. For the preceding three years, the operation had been very near cost as may be seen from the following figures:—

Year	Revenue	Operating Expenses	Sinking Fund	Debenture Principal	Debenture Interest	Surplus
1911 ..	\$54,602	\$20,917	\$4,626	\$ 560	\$17,610	\$10,886
1912 ..	65,072	22,166	6,558	4,541	21,294	10,512
1913 ..	77,065	30,467	7,441	5,221	21,586	12,348
1914 ..	76,917	34,472	7,520	5,275	22,802	6,847
1915 ..	74,362	36,870	8,238	5,330	23,282	640
1916 ..	78,149	40,444	8,755	5,389	23,501	58
1917 ..	87,112	49,202	8,755	5,451	23,546	155
1918 ..	99,142	62,045	8,755	5,516	23,641	*816

*Deficit.

During the years 1911, 1912 and 1913 there was a substantial surplus. The revenue was steadily increasing. In 1914, however, it diminished slightly, and an increase in expenditure, mainly in operating costs, caused a material reduction in the surplus. A further reduction in the revenue for the following year, accompanied by increased charges, reduced the surplus to \$640.47. This fell to \$58.68 in 1916, although there was an increase of nearly \$4,000 in the revenue for that year. In 1917, the revenue increased by about \$9,000, but this was practically absorbed by increased operating costs. The operations for 1918 were somewhat similar only the increase in operating expenses exceeded the increase in the revenue, with the result that there was a deficit of \$816.58.

Losses on Street Railway

The operation of a street railway at a loss is more general to-day than exceptional. It was in 1912 that the city of Lethbridge built its street railway, which was operated for one hundred and twelve days that year. Since then as may be seen from the following statement there has been a steady and substantial deficit:—

Year	Revenue	Operating Expenses	Sinking Fund	Debenture Interest	Deficit
1912	\$20,736	\$17,698	\$ 372	\$ 7,841	\$ 5,176
1913	60,609	69,739	6,888	14,812	30,831
1914	46,053	55,136	8,934	19,184	37,202
1915	41,740	44,024	8,756	18,801	29,841
1916	49,639	47,597	9,903	20,063	27,924
1917	52,203	49,637	9,903	21,530	28,867
1918	51,930	55,356	9,903	21,530	34,859

The population of Lethbridge during these years has ranged from ten to fourteen thousand and it may be taken for granted that the citizens are prepared to operate the street railway for some time at a loss because of the general convenience it affords.

From the experience of Lethbridge in the operation of its utilities it will be seen that it is extremely difficult to operate such at cost. There will be either a surplus or a deficit, and it will be generally admitted that the former is preferable. What would be most valuable, however, in promoting the study of municipal finance would be, as already indicated, the publication for general use by all cities of their annual financial statements. These statements should be drawn up on a uniform basis, so as to facilitate comparison. I need hardly point out that if the citizens of Lethbridge had available statements for, say, six cities of about the same area and population such would enable them to take a much more intelligent interest in the affairs of their own municipality. Reforms usually follow and do not precede agitation, and when there is a demand for the general circulation of the annual financial statements of municipalities, such will be forthcoming.

Reorganized Cabinet Includes New Ministers

Hon. F. B. McCurdy is Minister of Public Works and Hon. Hugh Guthrie Minister of Militia—New Premier Has Risen Rapidly In Politics—Purchasing Now Permanently Centralized—Developments in Merchant Marine

(Special to *The Monetary Times*.)

Ottawa, July 15th, 1920.

CANADA has a new prime minister, Hon. Arthur Meighen having been selected to succeed Sir Robert Borden. He has the distinction of being the youngest Canadian prime minister as well as the first executive head to come from west of the great lakes. It is under trying and difficult circumstances that Mr. Meighen undertakes the leadership. He has to organize a new party; he has to defend a government which has accumulated in the past three years of war and peace more than its share of enemies; he has to hold in line the old Conservatives, who are none too pleased at the passing of their party with all its traditions and he has to conciliate Liberal-Unionists, who are dubious as to whether they will not lose their identity completely in the shuffle. In addition, he faces a rehabilitated Liberal party led by Hon. MacKenzie King, young and aggressive like himself, although lacking in his parliamentary experience and skill and a Farmer-Labor party, flush from recent political victories and appealing with a sort of evangelistic fervor to all the elements of unrest in the country.

Hon. Mr. Meighen has had rapid political advancement, but has reached his present position by sheer force of character and ability. There is no chance in his selection. An Ontario man and easterner by birth, shortly after his graduation from Toronto University he went west teaching school and studying law in Winnipeg. He hung out his shingle in the little Manitoba plainstown of Portage la Prairie. There seven years after going west he was the Conservative candidate for parliament in 1908. His party was beaten at the polls by the then dominant Liberal party under the leadership of Sir Wilfrid Laurier, but he was elected. Only 32 at the time, a mere boy in appearance his capacity soon impressed the house and it was not long until he was one of the leading critics of the government. In the reciprocity campaign of 1911 he was one of its chief opponents in a province that naturally favored the pact. When Sir Robert Borden formed his cabinet he was not included. Youth, geographic and other conditions were against him.

But although a private member and a back-bencher, it was soon to him Sir Robert Borden turned when the government was hard pressed in debate. Ruthlessly logical,