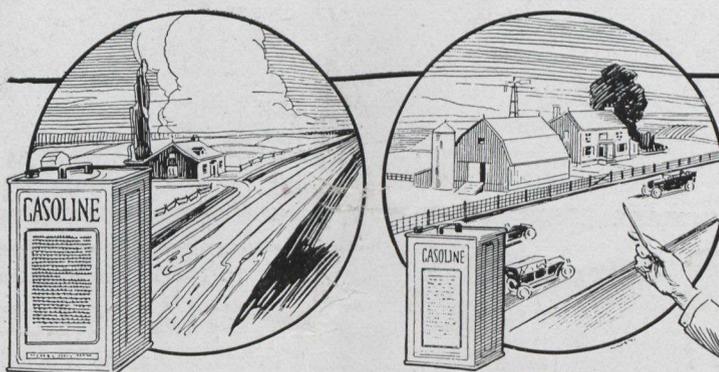


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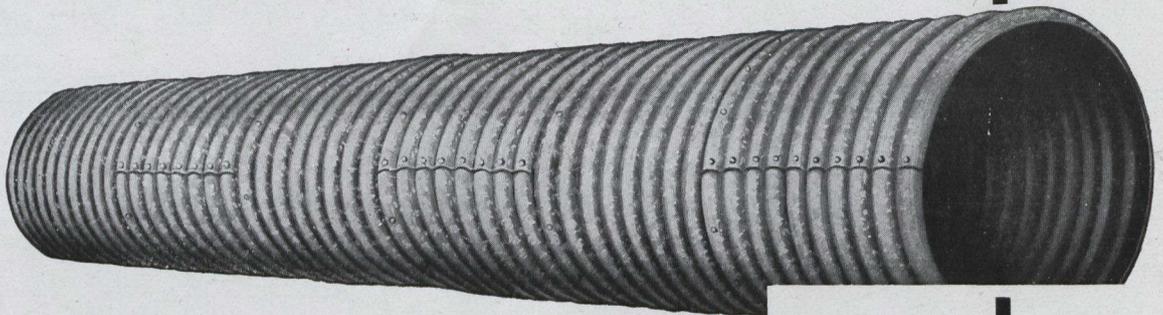
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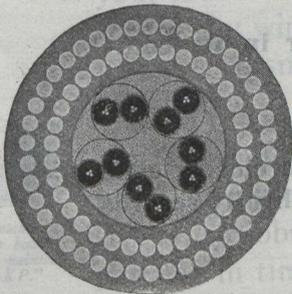
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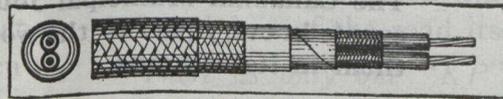
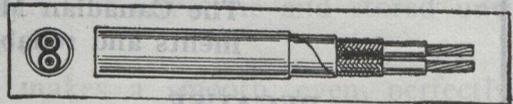


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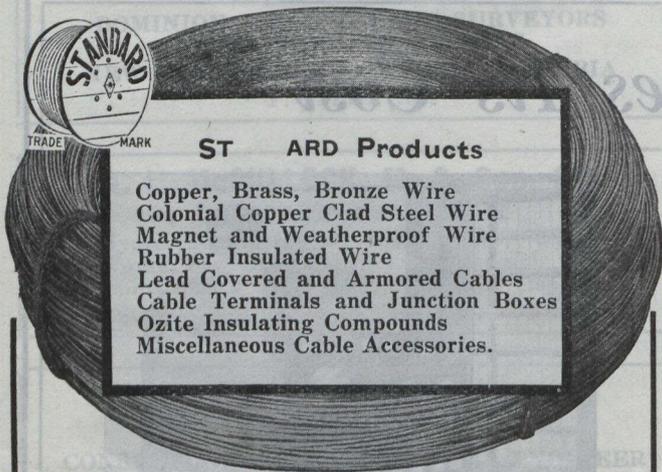
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FREDERICK WRIGHT, Editor

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Canadianizing the Foreign Born

The citizens of Saskatchewan are to be congratulated upon the report of a survey made of the province by the Canadian National Committee for Mental Hygiene. The investigation which covered the schools, gaols, juvenile court, maternity homes, children's aid shelters, detention home, hospital for insane and mental defectives home, showed that the authorities, both provincial and local, were alive to their responsibility in making real Canadian citizens out of the human material supplied by every nation under the sun. As an instance of this governmental effort to make Saskatchewan worth while, we quote the following excerpt from the committee's report:

"A study of individual schools demonstrated the important part they were playing in the Canadianization of the foreigner. Wetmore school in Regina is a striking example. It has an attendance of 800. The Canadian born account for but 20 per cent of the total while the remainder are recruited from 26 nationalities. The school plant cost approximately \$250,000 and is one of the finest buildings of its kind in Canada. In addition to the regular school equipment, there is an auditorium seating 900 people with a commodious stage. This theatre or lecture hall is utilized as a community centre where the children and adults of the neighborhood meet from time to time for instruction and entertainment. Another notable feature is a shower bath installation that insures a bath for each pupil once a week.

"The large amount of money expended on Wetmore school was an investment producing splendid dividends. In fact, the school was a melting-pot where children from all parts of the

earth were being Canadianized with surprising rapidity. A visitor realized that the pupils were absorbing Canadian ideals and there was no question about their growing loyalty to the British flag. Wetmore school is by no means unique in Saskatchewan. It but typifies a system that is solving many vexed problems of immigration."

The problem of Canadianizing the foreign born is a serious one in every province of the Dominion. In Saskatchewan the Canadian born population is estimated at only 54.5 per cent of the whole, and the provinces of Alberta and Manitoba have about the same proportion of native born population. In British Columbia, while the proportion of the native born is larger the problem is made even more difficult by the fact that the foreign population is composed principally of orientals whose standards of civilization are totally at variance with those of the Anglo-Saxon. In the eastern provinces, the problem is not so intense though in the industrial centres there are large colonies of foreigners that know not Canada.

If during the next five years the same number of foreigners emigrate to Canada as did during the five years previous to the war, our foreign population will outnumber the native born, and unless some means are adopted to Canadianize these immigrants, the situation will be serious. It will not be what shall we do with the foreign born but what will they do with the native born. In the United States the authorities and many public bodies have already taken up the task of making citizens of the foreigners in a way that will undoubtedly bring success, and it is high time that something really practical be done in Canada.

Public Works Construction in Winter

While our Canadian winters are a splendid stimulant to the vitality of the people they also cause much distress because of general unemployment that come in their wake. The suggestion has been made that all public works, particularly of a structural character, should be carried on during the winter months so that outside workers may be employed all the year round; on public works in the winter and private construction in the summer. And there is much in the suggestion. In the past the objection to winter construction has been the extra cost and risk. To-day there is no ground for such objection as is evidenced in a report of a well known construction company which states that "based on the same labor and material conditions, the cost of winter construction is from 3 to 10 per cent greater than the same work would be in summer. But even this is not a true basis of comparison, for in reality the

labor and material conditions are not the same." That is, both labor and materials are cheaper in winter than summer which offsets the cost of artificial heating. The same authority also states that the stability of a building is not affected by extreme weather conditions when under construction, provided those in charge of the work are experienced.

If then it is as cheap to build public works in winter, when unemployment is too general, as it is in the summer, when the demand for labor is greater than the supply, it is clearly in the interest of the people as a whole, that the construction of public works should be during the winter months. Had preparations been made for such construction this winter there would not have been anything like the distress caused through unemployment. The question deserves the serious consideration of all public authorities, be they Federal, Provincial or Municipal.

The Housing Problem and Industry

The urban municipality is something more than a corporate unit of land and improvements; it is an entity of potential as well as present human values that must be measured by the opportunities, or lack of opportunities, inherent to its business and social activities and based on the home life of the citizens. This is not a socialistic maxim, but an economic truism. What is the position to-day in the average city? There is a large shortage of dwellings within the city limits. The effect of this is that not only are families living with other families at this moment, but that the fast increasing population — estimated at 10 per cent — is being absorbed in an already over-congested community. The influence of such congestion, which is not confined to any one class is obvious. It means that the average family is in a state of unrest, and no industrial progress can be made in any community without opportunity for a decent home life.

What makes the housing situation so difficult is that only a small percentage of the population live in their own homes. What is more, of this small percentage of home owners very few belong to that large army of workers that earn their living in offices, and these are the men and women who have been harder hit by increased costs in living than any other class because their salaries have never reached anything like the cost of food and lodging.

It does not require very much intelligence to appreciate what it means to the industrial life of the country when it is realized that with the present housing shortage it would be a positive danger to the whole economic fabric for new industries to locate in most communities unless those industries build their own tenements. The meaning of which is that the new industrialism must take into consideration the building of homes as an economic factor.

The Mistake of Abolishing the Commission of Conservation

The proposal of the Federal Government to abolish the Commission of Conservation on grounds of economy sounds like refusing a gift on account of the delivery charges. For over twelve years twenty of Canada's foremost scholars, scientists and business men have given their services free—with the co-operation of representatives of the Federal and Provincial Governments—for the purpose of conserving Canada's great natural resources and right well have they carried out their task. The strength and the usefulness of the Commission lay in the confidence begotten in the lay mind by the fact that though a semi-government organization it has been entirely free from politics, and even free from the rut of officialism. The only cost to the country of the Commission of Conservation has been the salaries of the few officials and the upkeep of the modest offices in Ottawa, so that the reason given for its abolition is unworthy of any government.

What makes the proposal of the government still worse is that practically every other country is taking steps to conserve its natural and human resources. The war taught the necessity. Why Can-

ada should now abolish its best means of conservation is beyond the ken of any intelligent man, for to say that the work of the Commission will be carried on in the future by the government departments is absurd on the face of it.

The abolishing of the Commission of Conservation means that to a large extent the splendid pioneer work of the Town Planning Department under Mr. Thomas Adams will be lost, even though he be retained by the government, inasmuch as a most capable Town Planning Adviser will be lost in a government official. There is a vast difference between the two positions. The one begets confidence—at least Mr. Adams has established confidence in his ideas throughout Canada—the other indifference by the fact of being circumscribed by the official character of his work.

If the government really wants to build up the social and economic life of Canada it should encourage voluntary endeavor, such as what the Commission of Conservation really is, rather than discourage it by officializing and thus deadening its efforts.

A Real Municipal Union in Canada

The municipalities of Western Canada are evidently determined to have a union of their own, which practically means their breaking away from the Union of Canadian Municipalities. For many reasons such a step is to be regretted for the Canadian union has done much constructive work during the nineteen years of its existence, and it can still be made a power for good, provided there was a real co-operative spirit behind the executive. There is no doubt though that during the last few years apathy on the one hand and the disaffection of the west on the other have been allowed to weaken the superstructure of the Canadian union, and for some time this journal has been trying to analyze this apathy but without success, unless it is that the union has been gradually losing its grip on the councils because of its old-fashioned conservatism, which, though getting and holding the respect of the authorities before which it has to appear or transact business with on behalf of the municipalities, is not always understood and consequently not appreciated.

Regarding the dissatisfaction of many western members there was good reason for it. While more than welcome at the conventions the delegates from the west had a feeling that their more advanced ideas in municipal government were not treated as they should be by the eastern delegates. Their point of view was different. The pity of it is that at the first sign of dissension no serious attempt was made to co-ordinate the municipal ambitions of the west and the east. There seemed to be a dividing line, whereas there should be none. It is true that we did offer to the Kingston Convention of 1919 a scheme of re-organization of the Union along lines that we were given to understand would have been acceptable to the Western as well as to the Eastern municipalities, but it was turned down—by the executive of that year.

Be that as it may, the principal reason for the existence of the union, namely the protection of the municipalities from the Federal charter sharks, has never been, nor is it to-day, lost sight of, as witness the annual reports of the parliamentary agent, whose duty it is to examine every public and private bill presented to the Dominion parliament, for the purpose of seeing that no legislation is enacted that would jeopardize the rights of any municipality in Canada. Of course, seventy-five per cent of the laws affecting the municipalities are passed by the Provincial legislatures, but this legislation is watched and often directed by the splendid provincial unions established in every province, with the exception of Prince Edward Island. And in this tight little province there is no need for one for the reason that the legislature itself is practically a municipal union. This means then that any union of municipalities in Canada, outside provincial unions, must be for purposes other than provincial. It must therefore be broader—it must deal with larger questions. To be successful such a union must be co-operative not only as between certain provinces, but between every province in Canada. It is true there are municipal questions that essentially belong to the west or the east as the case may be, but fundamentally every municipal problem is the same throughout the Dominion.

Our point is this, that unless the co-operative spirit that inspired the formation of the Canadian

union be continued between our western and eastern municipalities, the enemies of municipal progress—and they are strong—will drive a wedge that will ultimately split the bond of union which for nineteen years has held municipal Canada together. What a tragedy this would be for the civic life of this Dominion. But why should it be?

To our mind there is a special responsibility at this time on the part of the leaders of municipal leaders throughout Canada to get together to devise means to strengthen the bond of union that is so necessary if municipal government is to hold its own in the social and economic readjustment now taking place in Canada. What we would like to see in the Western unions joining together is not a breaking away from the parent union, but a closer association. And why not? By reason of the western municipalities meeting in convention so as to clearly express their ideas and ambitions, in regard to the larger problems of municipal government, the eastern municipalities would better understand and appreciate the western point of view, especially when that point of view was based on collective opinion and experience. One thing is certain, municipal Canada cannot afford to have two camps opposed to each other, or even indifferent to each other, and we would urge the western unions in any amalgamation they may form to at least secure the co-operation of the Canadian union.

THE NEW COMMISSIONER OF EDMONTON.

In Commissioner C. J. Yorath leaving Saskatoon to take up an equally responsible position in Edmonton the former city has lost a valuable public servant and the latter city has gained one. It is now eight years since Mr. Yorath came from England to undertake the task of re-organizing the municipal services and the finances of the city of Saskatoon and so well has he succeeded that to-day this prairie city has a reputation second to none in its government. He is now going to a city that is equally well governed, but such is the determination of the Edmonton authorities to maintain its high standard that they went out of their way to secure the services of the best man possible. And they have succeeded.

Though Mr. Yorath's reputation rests largely on his financial ability he is essentially a municipal engineer. One is inclined to think that it is his engineering training that has given him that thorough knowledge of values which has stood him in good stead in his financial administration. Mr. Yorath's municipal experience dates from 1899 when he was appointed as assistant engineer of the city of Cardiff, in South Wales. This proved a splendid experience for it was during the three years of his occupancy of the job that Cardiff carried out the great improvements that made her the principal city in the principality. Just before coming to Canada Mr. Yorath initiated for the port of London authority a scheme for the better filtering of the storm water, which had hitherto been anything but pure. This scheme was adopted with good results. It was with such an experience behind him that Mr. Yorath came to Canada, and those who have had business with him since his coming to this country know that he has bettered the experience and the achievements of his earlier days.

MUNICIPAL TAXES IN ENGLAND.

We have just received the thirty-sixth annual statement of the rates (taxes) levied in various cities and towns in England and Wales as prepared by Mr. W. Allison Davies, the Borough Treasurer of Preston (Lancashire). This compilation, a masterpiece in lucidity and information, is specially instructive to Canadian municipal executives as showing the tremendous increased local taxes now prevailing in the Old Country over those levied previous to the war, though the big increases occurred last year (1920-21). The average jump for Boroughs was from 11s. 2d. to 15s. 3d. in the £; Urban Districts from 13s. 5d. to 18s. 10³/₄d. in the £; and the Metropolitan Boroughs (London) from 10s. 6¹/₂d. to 15s. 10³/₄d. in the £, or an average increase of approximately 48 per cent for the whole of municipal England and Wales.

In England and Wales, as in Scotland and Ireland, the system of direct taxation is in force so far as municipal affairs are concerned. That is, the local rates, or taxes, are levied on the actual rents paid. On this basis, with the average tax being 16s. 8d., each occupant of a dwelling or business premise pays for every £ in rent another 16s. 8d. for local rates, or 82 per cent. The municipal taxes in Canada average less than in England by one-half. That is, if the English system was in force in this country it would be found to work out less than 40 per cent of rental values. Or to put it another way they pay in England for their municipal service per family more than twice as much as we do in Canada.

The moral of this is that good municipal administration, like everything else, has to be paid for, and if they have good municipal service in the Old Country (and they have the best), they don't begrudge its cost. The remarkable thing about Canada's municipal administration is its efficiency considering the small cost of its upkeep. But this cannot go on indefinitely, and the sooner the citizens are educated to the fact that they must pay more for municipal government the better will it be for their own comfort, health and security.

THE SURVEYOR AND HIS OPPORTUNITIES.

In an address before the annual meeting of the Dominion Land Surveyors the president, Mr. Fred V. Seibert, urged more recognition on the part of the public of the land surveyor. The strange thing is that surveyors, as a class, have, unlike other professions, been so extremely modest regarding their value to the community. In the Old Country it is the surveyor that has specialized in the road construction of the counties and country districts, because of his training in topography and planning. In this country it is the man with engineering training who has specialized in the building of roads, and that same specialization has carried him into the highway construction of the different provinces. On the whole the engineer has given good results though we are inclined to think that in so far as the country roads are concerned the surveyor with his training would have achieved equally good results at a less expense.

In town and rural planning the surveyor should be at home, yet we don't know of any plans that have been prepared by a surveyor. We doubt even if the new Town Planning Institute contains a

single surveyor. Perhaps under President Siebert the Dominion Land Surveyors' institution may resuscitate the opportunities of the profession with benefit to the community life of the Dominion.

GOOD ROADS CONGRESS.

Now that spring is making its appearance preparations are being made by the Canadian Good Roads Association for the next Good Roads Congress that will be held on the 10th, 11th and 12th May in Halifax, in conjunction with the Nova Scotia Good Roads Association. Promises to attend the congress have been received by Mr. George MacNamee (the general secretary), from all parts of Canada and the United States, all of whom portend a successful meeting. The congress presents a good opportunity for municipal executives and officials not only to meet and discuss the increasing complexities of road construction but to visit some of the most beautiful and interesting places on this continent. Halifax, St. John, Moncton, Fredericton, Sydney, Truro, Glace Bay and the old world towns on Prince Edward Island form a group of municipalities worth the study of every municipal man. He will learn something in each and much in all.

THE RESPONSIBILITY OF MUNICIPAL INDEBTEDNESS.

The Premier of the Province of Quebec, in refusing to comply with a suggestion that his government pay the interest on the bonds of three small municipalities on the island of Montreal, that had gone back in the payment of their interest, emphasized a fundamental principle of municipal government when he insisted that each municipality must carry its own debt, without aid from the Province otherwise the credit of the province itself would be adversely affected, and consequently the credit of all within the province.

The very essence of government is responsibility—whether it be Federal, Provincial or Municipal—and the tendency of smaller municipalities, located near industrial centres, or cities, to take undue chances in extensive improvements, is not only dangerous in itself but absolutely against the idea of autonomous democracy. Such a policy is eves dishonest inasmuch as municipal debts are incurred out of all proportion to the taxable value of the community; and the fact that most of these extravagant improvements are made at the request of local real estate owners and speculators, because of the enhanced and fictitious values such improvements give their holdings, does not excuse any council making them.

THE CANADIAN NATIONAL RAILWAYS.

When the Grand Trunk Railway is finally incorporated in the Canadian National Railways, the mileage of Government-owned railways in Canada will be 22,375, comprising more than half of the total railway mileage in Canada.

SURVEYORS' INSTITUTION OF GREAT BRITAIN.

The membership of the Surveyors' Institution of Great Britain which in 1882 stood at 772, now totals upwards of 5,000.

THE FEDERAL AND THE PROVINCE OF QUEBEC SCHEME.

Ottawa, February 25, 1921.

The Editor:—

May I take the liberty of pointing out that the statement that the Federal housing scheme is unworkable in Quebec is contrary to the facts of the case. It cannot be declared as unworkable in Montreal, as it has not been tried, and until it is tried nothing but a valueless opinion can be expressed by any person.

In other parts of the province it has been proved to be both practicable and beneficial. Loans amounting to \$1,033,500 have been advanced to twelve cities and towns in Quebec including \$345,000 to Sherbrooke and \$200,000 to Drummondville.

I am sure the Canadian Municipal Journal has permitted the statement to be made inadvertently and will accept this correction.

Yours faithfully,

THOMAS ADAMS,

Town Planning Adviser,

Commission of Conservation.

In reply to Mr. Adams we may say that so far as Montreal is concerned the Administrative Commission, through its chairman, Mr. E. C. Decary, stated emphatically to a citizens' delegation (of which the editor of this journal was a member), that the Commission, after giving much study to the Quebec Housing Act, which embodies the Federal Housing Scheme, had found it impracticable and unworkable for the following reasons:

First.—That the city as a corporation was not equipped to build workmen's cottages.

Second.—That no housing company had declared itself ready to take up the responsibility of building tenements under the conditions of the Act.

Third.—That the loan of one million dollars which had been allotted to the city under the act was not available to individual borrowers, because, among other conditions, the houses had to be detached or semi-detached, of solid construction and for one tenant only. As houses of this class could not be built for less than \$4,500, which meant a repayment of from \$45 to \$50 per month, it was beyond the earning power of the average worker, for whom the housing scheme was drafted.

Fourth.—That, though an amendment authorizing the building of two flat houses was accepted by the Provincial Legislature it was not approved of by the Federal authorities, consequently the Administrative Commission would not take any further steps in the matter under the present law.

In the face of such an emphatic statement from the administrative head of the city, and similar statements from the President of the local Trade and Labor Council, leading builders and real estate men, it is not necessary to put the Federal scheme into actual practice to prove its impracticability and unworkableness.

Regarding the second paragraph in Mr. Adams' letter we can only repeat here a statement that appeared in the last issue of this journal under the heading of "The Housing Problem in Montreal," which said:

"Under the Federal scheme, the Province of Quebec, according to the Minister of Municipal Affairs (Hon. Walter Mitchell), has built 262 dwellings in twelve municipalities, most of these being built by industrial concerns located in out-of-the-way communities that took advantage of the Fed-

INCREASED TAXATION.

The municipalities of Ontario, instead of borrowing to meet the ever-increasing expenditures, are increasing the taxes all round. This is a wise policy.

185 CITY MANAGERS.

According to Mr. Harrison Gray Otes, Secretary of the City Managers' Association, 185 cities on the North American continent have adopted the City Manager plan of administration. One of the most recent Canadian towns to adopt the system is Grand'Mere P.Q., when Mr. Henry Ortiz, civil engineer, was installed as manager in February, 1920, at a salary of \$5,000: Though Mr. Ortiz is only 38 years old he has already shown special capacity for the work of managing this little French Canadian municipality which is composed principally of employees of the Laurentide Pulp and Paper Company.

A PROFITABLE UTILIZATION OF EXHAUST STEAM.

The Municipal authorities of North Battleford (Sask.), are to be congratulated for their enterprise in utilizing for a profit the exhaust steam from the engines of the power station. The steam is carried underground in mains to a number of city business blocks, an hotel and a library, for the purpose of heating the buildings, and according to Mr. M. D. Caldwell, the superintendent of utilities, the heat supplied under this unique system gives every satisfaction—uniformity, absence of dust and dirt, no expense of operating individual systems, economy in production, lessened fire risk, saving of boiler and coal space, and an added value to property.

AN EXCELLENTLY DRAFTED REPORT.

According to the excellently prepared report of the Comptroller-General of British Columbia (Mr. A. N. Mouat, C.A.) for 1920 the municipal branch of the government costs only \$6,258 to administer. This sum includes the salaries of the Inspector of Municipalities (Mr. R. Baird), two clerks and one stenographer. To say the least the Province of British Columbia, for a very small outlay, gets a splendid municipal service. As a matter of principle the service given is out of all proportion to the pay received, which should be double.

Regarding the report itself, like all Mr. Mouat's work it is remarkably clear for the lay mind to follow the operations of every branch of the government without getting mixed up as to what is what, which is something rather unusual in government and even municipal reports. We would recommend to those whose business it is to draft financial statements to study the lay-out of the B. C. report. They would get many good pointers.

eral scheme to borrow, through housing companies, cheap public money to house their employees."

Though fundamentally sound the weakness of the Federal scheme lies in the fact that it is impossible to apply it to a large city like Montreal because of the conditions attached to it by both the Federal and Provincial authorities, and it was for these reasons that the Provincial Housing proposition was started.

MUNICIPAL MEN OF CANADA

(Mayor Frank H. Plant, of Ottawa.)

To-day is the day of young men and the citizens of Ottawa have for the year 1921 elected to the mayoralty, in Mr. Frank H. Plant, one of the youngest, if not the youngest, men to occupy this high position. This does not mean inexperience in Ottawa's mayor for he has served the citizens as alderman and controller—a real promotion in public service—and it does mean encouragement to our younger men to take a practical interest in civic affairs for has not one of their own profited by it.

A thorough sportsman at heart and in practice Mayor Frank Plant has worked his way through his civic apprenticeship with all the enthusiasm of youth, taking and giving knocks but never ruffled by the attacks of his opponents, and gaining in experience with each year of service. He has kept on smiling because he knew what he wanted and how to get it. He loves the game of civics for its own sake—and there is no greater game in the world—because municipal government touches the daily life



(Mayor Frank H. Plant, of Ottawa.)

of the citizens in a way that neither Federal nor Provincial Government does, and Frank Platt is human enough to want to show real evidence of his public endeavors. Nothing in the abstract for the present Mayor of Ottawa. He likes to see things moving, and believing as he does that Ottawa is the centre of the universe—the salt of the earth—he really is proud of his opportunity as a master builder in its social and economic super-structure, and on doubt the citizens will see some good constructive work during this year—and the mayor will be behind it all.

The following pen sketch of Mayor Plant by William Macdonald of the Ottawa "Citizen," is that of a man who knows him well:

Mayor Frank H. Plant, of Ottawa, is making good in the varied duties which devolve on the general manager of the Capital of Canada.

It is no reflection on him to say that this fact comes as a pleasant surprise to many. One's first impression of the Mayor of Ottawa is that he is merely a boy. True he is thirty-seven years old but he does not look it. Of rather small stature and with a geniality that breaks into smiles on the least provocation, he is, in appearance, even more youthful than his years. But his youth and urbanity have stood him in good stead. To the manifold civic problems he has brought all the enthusiasm of youth and a cheerful disposition which are backed by sound business judgment and a keen knowledge of civic affairs. He is tireless dealing with civic problems, and has the happy faculty of winning support alike by his personality as by his arguments.

Born in London, Ontario, November 17th, 1883, Frank Plant studied in the London schools and in 1900 went to Ottawa as clerk in the Department of Labor in the Dominion Government. From there he successively went to the Citizen Publishing Company and then to the Watson Carriage Company, Limited, as secretary-treasurer and manager. In 1914 he took over the business of the Watson Carriage Company, Limited, and for six years operated this successfully under his own name. Its development and the time demanded by his civic duties caused him to take his two brothers into partnership and last year the F. H. Plant, Limited, was formed with the mayor as president.

Entering civic life as Alderman in Capital ward four years ago, heading the poll each year for two consecutive years as alderman, he showed such promise that two years ago he was elected Controller at the head of the polls. Two years on the Board of Control enhanced his reputation and this year in the most keenly contested and closest election Ottawa has ever seen, he was elected Mayor. He carries the added honors lightly. He is still Frank to all his friends and his friends are many in every walk of life. In his welcomes to visiting conventions, etc., he has made a most favorable impression and the public who meet him in an official way have realized that he is quick to grasp the points they advance.

In 1906 he married Miss Ethel Louise Low, daughter of Thos. O. Low of Ottawa, and he has two children, a daughter and a son. An Anglican in religion, he takes an active part in St. Matthew's Church.

A keen enthusiast for amateur sports, he is a member of the Globe Curling Club, president of the Ottawa Amateur Hockey League, president Ottawa Amateur Baseball League, vice-president of the Ottawa Amateur Athletic Federation, and vice-president of the Canadian Amateur Hockey Association. He is a member of the Kiwanis Club, Ottawa Hunt and Motor Club, the Ancient Order of Forresters, the Canadian Order of Forresters and the Sons of England.

CANADIAN GOOD ROADS CONGRESS

The eighth annual convention and exhibition of the Canadian Good Roads Association, which is announced to be held at Halifax on Tuesday, Wednesday and Thursday, May 10th, 11th and 12th, is the first gathering of the nation association to take place in the Maritime Provinces, the previous conventions having been held twice in Montreal and once each in Toronto, Hamilton, Quebec, Ottawa and Winnipeg. Eastern and Central Canada having thus been recognized by the location of the successive conventions, it is likely that the Pacific Coast will be chosen for either the 1922 or the 1923 assemblage.

The 1921 convention is being favored with the direct cooperation of the Provincial Good Roads Associations of Nova Scotia, New Brunswick and Prince Edward Island, respectively, and is being actively supported by the governments of the three provinces, as well as by the civic authorities, the local motoring and good roads bodies, the boards of trade and commercial clubs, and the hotels and railways of the sea provinces. In addition, the general support of the Dominion and Provincial Governments, enjoyed by the association since the inauguration of its annual conventions, is again being extended.

For the purposes of the convention, there has been placed at the disposal of the delegates the Nova Scotia Technical College, which is admirably adapted for the accommodation of such a gathering. The daily sessions will be held in a large lecture room, which is equipped with projectors that will permit the speakers to illustrate their addresses or papers with either lantern slides or moving pictures. The films shown will include one loaned by the United States Government and several from other official or private sources, demonstrating methods of highway construction, the operation of road machinery, and the manufacture or preparation of standard road materials. In rooms immediately adjoining the meeting place there will be held the annual good roads exhibition, which will include varied and interesting displays of machinery models, samples of materials for highways and pavements, photographs, literature and other exhibits connected with road construction or betterment.

In choosing Halifax as the scene of this year's convention, the members of the executive committee of the Canadian Good Roads Association were not influenced solely by the attractive inducements held out and the enthusiasm shown by the Easterners. It was felt that not only would the good roads movement in the Maritime Provinces be greatly stimulated by such a gathering, but a national purpose would be served by inducing delegates from the Central and Western Provinces to visit the Atlantic region, thus giving those unfamiliar with the progress, prosperity and possibilities of the Eastern Provinces a new conception of the varied interests and resources of the Dominion and a better understanding of national problems.

In addition to the five committees which have hitherto been appointed to look after the various details of the annual convention, a sixth has been created in the form of a ladies' reception committee. Each year an increasing number of delegates have been accompanied by their wives on their trips to the convention, and this year it has been decided to pay special attention to the entertainment of the ladies, hence the appointment of the new committee.

This year's convention is expected to be more representative than ever of the national and international highways movement. For the first time, Newfoundland will be represented by several delegates, while from every Canadian

province and a number of states of the neighboring republic will come experts and laymen interested in highway improvement.

As in past years, a number of subconventions of groups or bodies of allied interests will be held in connection with the main congress. One will be the second annual inter-provincial conference of highway officials employed by the various governments, who will discuss their own special problems. There will also be a special conference of the leading spirits in the provincial and local good roads organizations.

As the Association is meeting for the first time in the east, it is planned to devote approximately two-thirds of the programme to papers and discussions dealing with the peculiar problems which confront the three Maritime Provinces, while the remaining one-third will be given up to the consideration of highway questions affecting the Dominion as a whole. A tentative programme has been drawn up, and a full announcement of the completed agenda will be made in our next issue. The annual banquet will be held on the evening of Wednesday, May 11th, and on the following evening, which is the concluding one of the convention, the annual business meeting and election of officers of the Canadian Good Roads Association will take place.

The local entertainment features of the convention have not been overlooked and the delegates will be the guests of the Nova Scotia Motor League for an inspection of the magnificent land-locked harbor, one of the largest and most modernly-equipped in the world, with drives to other points of interest. For the day following the close of the convention, a railway trip to the far-famed land of Evangeline is being arranged.



ARTHUR ROBERTS, K.C.,
President of Union of Canadian Municipalities, who will preside at the Executive Meeting of the Union to be held in Ottawa in April.

THE TELEPHONE RATES FIGHT

The following article, taken from "Toronto Saturday Night," is reproduced here because it not only clearly states the principal issues in the telephone rate case but presents a fair analysis of the efforts of the Union of Canadian Municipalities on behalf of the municipalities of Ontario and Quebec.

"There are two main issues in the telephone rates case which is now before the Railway Commission for judgment. They are the broad question whether the Bell Telephone Company has a right to an increase in rates and the subsidiary but also basic question whether a system of measured rates should be introduced.

The clearest cut opposition which the Bell Company met during the hearings was in regard to measured rates. All parties who appeared against the company's application were united in opposing the proposal to introduce a new method of dividing telephone charges.

The company's proposition in this connection involved only a partial application of the principle of measured service. It did not suggest that residence telephones should be included at all. Neither did it propose to introduce the measured rates on business 'phones in all cities. Five cities were selected for the experiment—Montreal, Toronto, Ottawa, Hamilton and Quebec. The rates proposed for Toronto and Montreal were five dollars per month with an additional charge of four cents apiece for all messages over one hundred a month. In the other three cities the proposed rates were four dollars and a half per month with three cents a message additional over the monthly allowance of one hundred.

The opposition to this proposal was not fought on points of detail at all. It was not a question of these particular rates. All the opposing counsel united in declaring that no measured rates of any kind should be introduced. The change was opposed in the first place on the ground that conditions were just now in transition; that the present financial position of the company was temporary only; and that it did not justify an alteration in the principle on which rates were based. It was opposed in the second place on the ground that the Commission did not have before it sufficient information to enable it to reach an intelligent understanding of the new system. Several counsel urged that before a decision on this issue could be reached it would be necessary to have an appraisal of the plant and an analysis of the cost of operation in the different cities and between trunk line and local business.

The Bell Company replied that measured service was now not the exception but the rule. Gas and electric light were both sold by meters, while the measured service on telephones was in use in the United States, in the United Kingdom and in other countries. As to information, the company had brought before the Commission the expert of the American Telephone and Telegraph Company on this subject, and opposing counsel had had an opportunity to cross-examine him. Moreover, the rate system submitted by the company was the product of the best authority on the subject in the United States and of the experience of the officials of the Canadian Bell Company in regard to local conditions. What more was wanted? The appraisal suggested would probably cost half a million dollars. If it were made, were opposing counsel ready to give the company rates to pay a proper return on the full value of the company's property? "We will argue that when the time comes," was the interjection of one of the other counsel, and the subject was allowed to rest there.

On the broad issue as to whether there should be any increase at all in rates, there was division among the opponents. Counsel for Toronto declared that the company should meet the emergency out of its reserves, while counsel for

Montreal and the Union of Canadian Municipalities were willing to allow a small increase in rates.

In making its application the company presented a statement of its accounts based on May, June and July, 1920, showing for a twelve months' period an operating deficit of \$581,000. They presented also a statement of their requirements for the year, which indicated net requirements of \$5,885,000. To meet this they proposed increases in the exchange (or local) rates, the long distance rates, the private branch exchange (private switchboard systems) rates, and in addition they proposed a new service connection charge for installation and other connections. The company figured that the total revenue to be derived from these increases would be \$4,685,000. The difference between that and the requirements of \$5,885,000 would be borne out of the company's reserves.

The financial history of the Bell Company was cited by its counsel, Glyn Osler, K.C., and Judge Phippen, in support of the application. They pointed out that there was no water in the company's stock; that, in fact, on the average the treasury had received something over par for its various issues. Moreover, dividends had never been raised above eight per cent., and the rest of earnings had been put into plant. The company, therefore, had a good conscience in asking for more money. It was needed to cover mounting costs of operation and to enable the company to raise further capital for extensions. These extensions the company's officials figured at ten million dollars annually for the coming three years. Moreover, the rates of other companies had gone up during the war and prices generally had doubled, while phone rates had risen only some ten per cent.

The criticism of the company's case was very largely, as of necessity, a question of accountancy. The Union of Canadian Municipalities through their counsel, F. H. Chrysler, K.C., and Charles Laurendeau, K.C., presented an analysis of the company's position by Price, Waterhouse & Co. This analysis was based on the first eleven months of 1920 with the month of November doubled to complete the year. Taking these figures as his foundation, Mr. W. J. Hagenah, the telephone expert, estimated that the company might need \$1,634,000 additional revenue. He suggested that it should be raised: (1) \$969,000 from the increased long distance rates, as proposed by the company; (2) \$181,000 from the new service connection charge; (3) by raising the Toronto rates up to the Montreal charges; and (4) by raising the local exchange rates enough to cover the balance.

The final analysis for the Toronto counsel was made by Col. Gordon and Mr. H. E. Guilfoyle of Clarkson, Gordon and Dilworth. It showing a net revenue on operation of \$2,600,000 or \$100,000 only less than sufficient to cover the interest on bonds and the usual dividends on capital stock, the Toronto counsel, A. C. McMaster, R. Geary, K.C., and E. P. Brown, opposed the granting of any increased rates, claiming that the company could afford to meet the present emergency out of its reserves.

The great battle ground of accountants and of counsel was this question of the reserves. All opposing counsel argued that the depreciation reserve set up by the company was too large. The depreciation reserve of June 30th last was \$15,712,000 on \$51,469,000 of depreciable property; or about thirty per cent. Mr. Hagenah considered twenty per cent. sufficient reserve, and the difference would give the company a margin larger than the amount of the increase it was asking. But the reserve was in plant and could not be used at once. However, the company proposed to add about \$2,897,000 to the reserve in its typical year, and part of this he thought might be held back. It was by this means that he reached the figure which he proposed to allow the com-

THE TELEPHONE RATES FIGHT

(Continued).

pany for increased rates. The rate used by the company, under a previous order of the Railway Commission, was 5.7 per cent.; he figured the actual depreciation expense of the company at 3.1 per annum; and he thought that the company should use the difference to meet the present emergency. The Toronto counsel, on the other hand, took the view that the entire burden of mounting rates should be met out of the depreciation reserve, and that was the chief reason why they differed with the stand taken by the Union of Canadian Municipalities.

The opponents of the Bell application agreed in asking the Commission to treat the present situation as a temporary emergency. This was one ground on which they fought measured rates. On this ground also they insisted that there must be no increase or only a small increase at the most. Witnesses were called to testify to falling prices and falling wages, and they predicted a continuance of the downward trend. Among these witnesses were two officials of the Ontario Hydro-Electric Commission. The company had claimed that there would be difficulty in floating further issues of bonds or stocks, and the evidence of financiers was called to prove that the market was now becoming more favorable. All this evidence was presented to the Commission as reason why there should be no—or at least no large—increases in rates nor any radical change in the system of rate fixing.

Finally a sustained attack was made upon the contract between the Bell Company and the Northern Electric Company, from which the Bell purchases most of its equipment. The Board declined to order an inquiry into the books of the Northern Electric on the ground that it had no jurisdiction over that company, but several of its officers were called on the question of prices. Little evidence was secured to justify the charge that the Bell Company was paying extravagant prices for its equipment to the Northern Electric, but the opposition counsel argued that the contract itself was designed to promote monopoly and by that means to raise the cost to the Bell Company.

Bell counsel met criticism of their accounts by attacking the financial statements presented by the opposition. In particular, a vigorous onslaught was made on the figures presented by Col. Gordon and Mr. Guilfoyle. Some undoubted errors were shown to exist in these statements, in part affecting the theory on which the calculations were based, and Bell counsel asked that the Board should, therefore, disregard the entire calculation. The claim that wages and prices were now on the down grade was disputed, and it was pointed out that some further increases were involved in the existing wage contracts now in force with the company's employees. Prices had already gone so far, it was urged, that there was sure to be a rebound.

A vigorous defence of the contract with the Northern Electric was put in. Practically no evidence was before the Commission, it was argued, to show that the contract cost the Bell Company more than it would have cost to buy in the open market. On the other hand, there were many advantages. It made possible the use of uniform equipment; equipment was therefore interchangeable; a smaller stock of spare parts had to be carried; the designs for buildings could be standardized; the equipment was built to ensure low maintenance costs; salvage values were higher; the engineering staffs of the two companies could work together; there was the advantage of buying in large quantities, and as the staff had to be familiar with only one kind of instruments, it in turn could be readily moved about according to variations in the needs. Counsel claimed, therefore, that the contract with

MUNICIPAL STATISTICS FOR THE DOMINION

In his first annual report of municipal statistics for the Dominion Mr. R. H. Coats, the Dominion Statistician, has been remarkably successful considering the lack of uniformity in municipal accounting—no two provinces using a similar system. In a preface to the report Mr. Coats states some of the difficulties that his bureau had to meet before a fair comparison of the different municipalities could be secured. The preface reads partly as follows:

For some time past there has been a growing demand from officials, financial corporations, economists and others interested in taxation and similar problems, for comparative statistics of the more important municipalities throughout Canada, more particularly statistics of municipal finance. Jurisdiction with regard to municipalities is vested in the Provincial Governments, and the first essential for comparative statistics is the adoption of a uniform system of municipal accounting and reporting. A memorandum outlining a system, and looking to co-operative action between the Dominion Bureau of Statistics and the Provincial Departments, was drawn up in the Bureau in 1918 and submitted to the Provinces. It was recognized, however, that the matter was complex and far reaching in scope, and that definite action would not be feasible without careful discussion of details, such as might take place at a conference of Dominion and Provincial officials.

Pending such discussion it was thought that a useful purpose might be served if a limited survey was undertaken by the Bureau on the lines suggested. A schedule was accordingly sent to urban centres having a population of 10,000 and over, and the present report is based on the replies received. The Bureau tenders its grateful thanks to the municipal officers, who, sometimes at considerable difficulty, in view of the diversified methods of accounting which prevail, filled in the schedules with the data asked for. Without such co-operation a statement, even of the present limited scope, would have been impossible, the usual annual statements not being available for co-ordinated results in view of the different significance attached to items in various localities.

Altogether, returns were received from fifty-three municipalities having a population of 10,000 and over. In a few cases, notably Guelph, Moncton and St. Catharines, the reports sent in were not sufficiently detailed to permit of co-ordination with others, whilst no returns were received from Chatham, Ontario, Shawinigan Falls, Quebec, and Glace Bay, Nova Scotia.

The matter covered in the report is grouped in a series of eight tables, the scheme of which will be noted in the analytical table of contents.

As above stated, the present report is regarded as tentative. The inquiry, however, is thought to have demonstrated the feasibility of procuring municipal statistics in general on a comparative scale when more definite plans have been matured. The experience already gained will permit additions to the schedules, particularly in reference to the classification of financial items. It is the intention of the Bureau to repeat the inquiry if its usefulness is demonstrated, and to embrace an increasing list of municipalities.

the Northern Electric was a benefit and not a disadvantage to the Bell Company.

The company's rebuttal closed the hearings and judgment was reserved by the Board.

When the case closed there was quite a general impression that the company would get some relief by way of increased rates, but that the system of measured service would not be introduced at the present time.

THE PURPOSES OF MUNICIPAL GOVERNMENT

SIR JAMES AIKINS.

The Union of Manitoba Municipalities was fortunate again at its last convention to have an inspiring address from Sir James Aikins (Lieut.-Governor of Manitoba). If more of our public men would but realize the importance of efficient municipal government in the life of the nation as does Sir James, not only would a more encouraging outlook be given to those who administer local affairs, but a more co-operative spirit between the three governing units of the Dominion would take the place of the present jealousy. Part of Sir James Aikins' address reads as follows:

The true greatness of a nation does not consist in the bigness of its area, in battalions or battleships, not in multitudes of people or accumulated money, but in the virile manhood and noble womanhood of its citizens. What an opportunity for public service! Are we willing to take up our citizen's burden and serve? I know you are. Many others say they are too much occupied with the means of living to live. Well, we have to recognize the fact that the very intent of our civilization is to make the means of living more complex, that it calls for greater combined mental and moral efforts instead of simple unco-ordinated ones in order that the people may be housed, clothed and fed and educated, and move themselves and their products from place to place, and may be guarded in their liberties and encouraged in their enterprises. The whole machinery of government is complicated. But the more complex and intense mental and moral efforts, the richer and fuller our life. Contrast the life of the Indian on the reserve or plain with that of a successful man in your well ordered municipalities and you will realize the truth; you would not exchange with him. Life has an end in itself though a beginning of a greater one, and the answer to the question. "Is this life worth living?" is "Have we had enough of it?" I have not. Then let us up! up and face our game and play it, the game of our complex civilization, and cheerfully do our part like public spirited men.

The purposes of municipal government in which you are interested are not simply drainage and water supply and the making and maintenance of roads. Those are but the means to an end, that true end of it being the good and well-being of the people of your municipality. Hold in your faithful minds that end and take where needs be any sure and short cuts to attain it, whether it be expressed in the Municipal Act or not. That is its purpose, and construe your powers broadly. You have some expressed authority such as relating to public health and comfort; to public safety; to public order and morality; to the care of children—who are the greatest potential asset Canada has, and on whose development, spiritual, intellectual and industrial, depends Canada's future.

The chief aim of all government, municipal included, is or should be to produce good citizens. Good! I should have said the best citizens. Your most efficient work will be with the children. Of your municipal work it should be said what was spoken by the great President Elliot of Harvard, in respect of higher education—"Public comfort, ease and wealth may be promoted by it, but its great purpose is knowledge and righteousness." Sirs, if you add to those two another, the great essential, industry, which includes no wastefulness, you then have life, for the sum of those three is life—abundant life here, and to that end all the thought and effort of your municipalities should be directed. Given those three things in your municipality, it cannot fail, and all other things will be added, good farming, honest trading, fair dealing, a sacred regard for the rights and property of others, mutual helpfulness, happy life, a public spirit. The statement applied first to christianity applies generally to a

community, for "we are members of one another." If one member is weak or disordered or cancerous, all the others suffer. Every ignorant and immoral and indolent person in your community is a menace and detriment to it. You cannot always deport him, but you can surround him with good influence and you can catch the children young and by aid of school and church and community life, you can give them the opportunity of being their best. That is our duty. You have heard the old saying of a person "he is the enemy of no one but himself"; a false view. A man who is an enemy to himself whether by his habits or excess or immorality or laziness is an enemy to the community, and his influence is debasing. If we neglect such when we can remove the evil, then the Priest and the Levite who passed by the wounded man on Jericho road may stretch a point and add you to their company. Remember, a municipality, that is, a number of persons organized as you are, can do far more than a single individual, but that does not relieve us of individual responsibility. It is a personal as well as a municipal duty to rid our lands of evil while we "drive the road and bridge the ford."

My memory recalls words which I some time ago heard:

Then, let us live and labor
Till our work is done;
Helping each his feeble neighbor,
Asking help from none.

In these times of froth and bubble,
Two things are like stone,
Kindness in another's trouble,
Courage in our own.

Since the war, there has been so much agitation for united action, for class movement, for organization, for government and municipal control, that we are apt to forget our individual responsibility and with it our individual liberty, for one is the correlate of the other; when one is forgotten, the other is lost. In this lies the glamour of a self-governing people because people fail to see the fact that they are to control and govern themselves, swift to obey the laws they make, and to be vigilant that others do the same. But we are slow to apply the rules of action to ourselves, to limit ourselves by self-denying ordinances, to restrain impulses and cure faults. As I have said, individual liberty is a right, but its correlated duty is individual control. Where we fail to control and govern ourselves then some person else is compelled to suffer.

People are disposed to wear the steel helmets of irresponsibility and so endeavor to avoid the impact of personal duty. A road is out of repair or a culvert displaced, a ditch is dammed up, houses of gambling or immorality exist, indecency is on bill-boards, and people say, "too bad," "on the municipality is the duty, our concillor is not fit for his position," and so the defect or wrong continues, when one alert resident could take action and so protect the neighborhood. A person's property is stolen or building destroyed by incendiary neighbors. Sorry wonder if he has laid the matter before the magistrate and the policeman investigating, whereas the whole neighborhood should be on the path to capture and punish the offender. Yours may be next. That apathy carried to a limit has resulted as in Russia in pillage, arson and confiscation. A gambling den or house of immorality is known to exist by those around who say it is not any business but that of the municipal officers. Soon the immorality spreads and catches one of the sluggish families, then there is an outcry. That again going unchecked has in Russia

CLASSIFICATION OF INDUSTRIAL DISTRICTS

A writer in "Town Planning and Conservation" in urging the prescribing of certain sections as industrial districts says: "In many cities in Canada ideal industrial sites are occupied by the poorer class of industrial workers and industries that should be located thereon, in close proximity to transportation, are driven to the suburbs of the city or beyond the city boundary."

After illustrating the difficulties in securing title to property under present conditions as follows: "In a sub-division of twenty lots, suitable for a factory location, the first is owned by a Canadian, resident in the city; the second by a non-resident Italian; the third by a trust estate in the United States; the fourth by a Russian Hebrew, the fifth by a Pole, resident in the Yukon, etc.", the writer goes on, "What chance is there for a manufacturer or merchant knowing for what price he can acquire such land? To secure an option that is binding a deposit must be made. Suppose the manufacturer starts with lot 1. The resident Canadian is anxious to sell and makes a fair offer. The agent of the non-resident Italian is then approached. Knowing what the property brings in as revenue, he realizes that anyone who wishes to buy has some object in view, and, wanting to secure a commission on the sale, raises the price, and perhaps a month at least is needed to get power to sell from the owner in Italy.

"To deal with the Trust Estate may take more than a month, and by this time the Hebrew owning lot 5 hears that someone wishes to buy and his price goes up still further. Few will venture to risk depositing money on options with so much uncertainty, not only on the ultimate cost, but also the impossibility of knowing when the deal can be completed.

"After a district is prescribed as an industrial district, no new residences should be permitted. Necessary alterations and repairs might be allowed to prevent slum conditions arising, if industrial expansion does not follow as quickly as estimated.

"The city council, or other specially constituted authority, should then obtain a complete record of the owners and a statement as to whether they wish to sell or not, and, if willing to sell, a fixed price for one year. If assessment were fixed by the price stated, and taxes based thereon, excessive prices would be checked. The danger of undervaluation is remote.

"Two steps have now been taken, namely, (1) classification of the district after a regional survey, and (2) the determination of owners and fixed selling price.

"With this information manufacturers would know the districts set apart for industrial purposes and the value of the sites, and, together with the possibility of speedy possession, this would be of great assistance.

"The next consideration would be the effect on the value of the property as it gradually developed. Its power of producing revenue might be decreased or increased, but the value of the land might be expected to increase as it gradually filled up with industries. As this value is built up by the industries, it would appear just that a portion of the increment should go to the land already in use, as a rebate on taxes or towards the expense of local improvements. This would check the raising of prices and so keep the cost of the land at a fair price."

THE PURPOSES OF MUNICIPAL GOVERNMENT.

(Continued).

resulted in the nationalization of women and children. Two morality officers are shot to death in discharge of duty. People around are scarcely offended instead of being alarmed and swiftly following the murderer. Not our business. Carried a little further and life is unguarded and destroyed in a welter of blood and crime, again as in Russia.

Where there is a law broken, it is the duty of every citizen to see the violator brought to justice, and swiftly.

A municipal election is about to be held to select those who shall legislate and rule. O what apathy! So often we are misgoverned. We blame the system, not ourselves. If our children are not educated, of course blame the school trustees in whom and whose election we have taken no interest. If our children are not morally good, certainly blame the church or Sunday school which we have failed to attend, but not ourselves, parents or our home. So things go wrong in municipality and community, in school and church. Eternal vigilance and prompt action is the price of liberty. I know that I am not telling this to the right audience for you are of the public service class. The others will not come to hear. Let us ever bear in mind that the fundamental of our British civilization is personal liberty limited only to the necessary protection of others' liberties and the protection of property lawfully acquired. Municipal government is intended to protect and enhance them. There has in all ages been a conflict between collectivism and individualism, between enslavement to proper organizations or combinations and personal freedom. We have had piracy of profiteers and trusts,

also the unlimited gall of financial parasites, red socialists, communists and bolshevists. They produce trouble—that is the one thing they can produce. The former, you, the substantial industrious citizens, have known for many years and have held at bay. The latter are more recent and unknown, but their policy is for the incapables, the ignorant, the indolent and failures to combine to exploit the strong, the industrious, the educated, the thrifty, and divide their savings, and to control and limit their energies. If a man is convinced that he will not pluck the fruit of the tree he plants or reap the harvest of his sowing, he is not likely to plant or sow. Unless he is assured that he and his family are to be the beneficiaries of his own efforts, he will not put them forth. Red socialism or communism would cut the nerve of enterprise and hamstring progress. Therefore, in your municipalities, make ye sure to each his own that he reaps what he hath sown, and give to every man the amplest opportunities for the full exercise in all lawful pursuits of all his talents, and all the children the amplest opportunity for full development, unhampered by the presence of evil. Given a fair chance, and personal characteristics and individual qualities will prevail.

In the midst of all the perplexing movements going on around us, let us be calm and conscientious in our thinking and our action, and courageous and kindly—in both, so shall we not dread the future, it will give place to better times. We have been given a goodly heritage. Let us see to it that every Canadian is such as to be worthy of it and allow those only to have control in municipal and other government or a voice in that control who will guide it wisely in the way of peace and progress and govern it according to the principles of eternal truth.

AMERICAN GOOD ROADS CONGRESS A SUCCESS

The Eleventh American Good Roads Congress and Twelfth National Good Roads Show was held in Chicago, February 8 to 12 last, under the auspices of the American Road Builders' Association. With an attendance of ten thousand or more delegates and visitors, and exhibits of road building machinery, methods and materials, numbering one hundred and forty four, renewed interest in better highways was aroused in a way that augurs well for the immediate future of the road building industry, and that gives promise of a new era in highway construction. A note of optimism, first sounded in a letter from President-elect Harding and in an address by Thomas H. MacDonald, chief of the United States Bureau of Public Roads, pervaded the sessions and sent the delegates to their home full of enthusiasm and confidence.

Among the resolutions adopted were the following:

"Urging the Interstate Commerce Commission and the railroads immediately to grant a reduction of twenty-five per cent in freight rates on road building materials for use in constructing public highways.

"Urging material producers and contractors to reduce the cost of materials and operation to a point that will permit an immediate start in road building.

"Protesting against the killing of more than 5,000 and the injury of more than 14,000 persons on the highways of the North American continent during the past four years, condemning reckless speeding and demanding better policing of the highways, better construction and inspection of bridges and better means of preventing grade-crossing accidents.

"Urging that highway departments be divorced from politics and that the salaries of highway engineers be increased so as to make possible the employment by highway departments of the most competent engineers and their retention in the public service.

"Recommending that the United States become a member without delay of the International Road Congress and instructing the executive committee of the American Road Builders' Association to secure the passage by Congress at Washington of such legislation as may be necessary to that end.

"Urging Congress to pass with delay the bill, now pending in the House of Representatives after having passed the Senate, which authorizes the immediate allotment by the government of one hundred million dollars as Federal aid to road projects for the year ending June 30, 1922.

"Recommending the application of Federal aid to the construction of interstate highways as a step toward the ultimate formation of a great national highways system."

The Congress was in session twice daily for four days, and the plan of holding the meeting and the show under one roof but upon separate floors was found to be a good arrangement. The papers and formal discussions, generally speaking, were of high order, and covered a wide field though in some instances general discussion from the floor was lacking. Outstanding road problems received the greatest attention. Papers were read or addresses delivered by:

Thomas H. MacDonald, chief of the United States Bureau of Public Roads, Washington, D.C.

Prof. C. P. Tilden, National Director of Highways and Highway Transport Education, Washington, D.C.

J. W. Brooks, manager of the Educational Bureau, Federal Highway Council, Washington, D.C.

Col. James G. Steese, U. S. Army, president of the Alaska Road Commission.

Mayor William Hale Thompson, of Chicago.

Michael J. Faherty, president of the Board of Local Improvement, Chicago, and president of the American Road Builders' Association.

H. G. Shirley, secretary of the Federal Highway Council, Washington, D.C.

F. H. Eno, professor of Engineering at Ohio State University, Columbus, O.

H. S. Mattimore, testing engineer, Pennsylvania State Highway Department, Harrisburg, Pa.

James H. MacDonald, former state highway commissioner, New Haven, Conn.

C. M. Upham, chief engineer, Delaware State Highway Department, Dover, Del.

Julius Adler, deputy highway commissioner, Philadelphia, Pa.

Edward N. Hines, chairman of the Board of County Commissioners, Detroit, Mich.

H. C. Sylvester, vice-president of the National City Company, New York City.

S. E. Bradt, superintendent of highways, Department of Public Works and Buildings, Springfield, Ill.

Walter A. Rogers, president of the Associated General Contractors, Chicago, Ill.

R. G. Collins of the Keystone Construction Company.

A. R. Hirst, state highway engineer, Madison, Wis.

D. A. Garber, president of the Northeastern Construction Company, New York City.

President Warren G. Harding, of the United States, sent a letter, in which he said:

"Our civilization depends on communication and transportation, and as it becomes increasingly complex, that dependence increases. Every great community is held together by its means of transportation and so vast a country as ours is the more in need of ample facilities. Our country roads we have not kept pace with. The development of other transportation,—railroads, waterways, our new merchant marine,—cannot be of the fullest utility unless good country roads supplement them. The country road bears the same relation to these that the capillary circulation does to the system of veins arteries in the human organism.

"In recent years there has been nation-wide realization of the road problem. We need to devise and adopt means, financial and engineering, to solve it. I believe we shall progress greatly in the years of peace and prosperity which, I am confident, lie ahead of us, toward this solution, and such organizations as your own will contribute much to that end."

In an address on "Our National Road Problems" at the opening session, Thomas H. MacDonald, chief of the United States Bureau of Public Roads, urged that the country get under way with its road building programme without delay. "Present conditions," he said, "are such that a large programme of highway improvement should go forward, now. Funds are available and the state and Federal highway departments are ready to award highway contracts for large mileages. It is estimated that from all sources approximately \$622,000,000 is available for highway work. Admittedly there are many and grave problems in our developing highway programme that must be met. Still, with more than 3,500,000 unemployed and with the railroads eagerly offering transportation for the necessary materials, there is every justification for vigorous action to inaugurate a large public works programme with confidence that the problems will be adequately solved as, and when, they arise, and should not be made an excuse for delay now.

"Just now we have literally a pocketful of money. Funds have been made available in large amounts by the Federal government, the states, the counties and even smaller districts, which have accumulated because of non-expenditure; but we should not hypnotize ourself into the belief that this condition will continue to exist unless the balance sheets show profits on these expenditures in the way of highway service

ADEQUATE SERVICE THE FIRST ESSENTIAL IN PUBLIC UTILITIES

JOHN B. SANBORN.

In a recent address on the "Essentials of a Sound Policy as to Public Utilities" (taken from the Economic World), Mr. John B. Sanborn, of Madison, Wis., emphasized the principle of adequate service being the first essential in public utilities, and that the second essential must be "such a rate as will not only prevent the imposition of excessive charges upon the public, but will also afford the investor in the utility, after the proper maintenance of the property has been provided for, such a return as will insure the continued investment of free capital in the utilities."

The following excerpts from Mr. Sanborn's address in-

AMERICAN GOOD ROADS CONGRESS

(Continued).

to all of the people from whom these funds are contributed. The earning capacity of our roads must be demonstrated."

Education Necessary in Highway Construction.

"It is difficult to point out with any degree of certainty," said Prof. Tilden, during his address on "The Relation of the Highway and Motor Transport Movement to Education," "the educational need in connection with such a rapidly changing and quickly developing activity as that of the construction and use of highways. One point, however, is the need of trained engineers to undertake highway construction as a public service. The idea of public service,—the idea of the importance of the highway programme as a part of public service, cannot be overstressed. On the basis of the 10,000 engineers or more needed, which is admittedly conservative, and on the further basis of an annual turnover in this force of ten per cent, we have at the very least a thousand civil engineering graduates who could be absorbed annually by this highway work. The enrollment is increasing in our technical schools in a gratifying way, but the boys who are entering now will not be available for three or four years. There is a tendency on the part of engineering students to shy away from highway work because the subordinate positions do not pay as well as those in some other lines; but the higher places, which can be reached only through experience, are well paid, and the present tendency of certain states and counties to offer substantial salaries to their chief engineers and principal assistants will in time attract the attention of students."

Discussing "Highway and Finance," at the session on Friday afternoon, H. C. Sylvester, vice-president of the National City Company, New York, urged that until permanence in highway construction has been attained, the financing of the work should be effected with due recognition of the possibility that reconstruction may soon be necessary. "To finance highway construction successfully," said he, "it is my opinion that highway bonds should be issued by a state, by a county, or by a district or township, and should be paid from an ad valorem tax, which is authorized to be levied in an amount sufficient to pay the bonds. No limit should be placed upon the rate of tax, which may be levied. If such a limit be imposed the desirability of the security will be affected, the rate of interest will be increased and the taxpayers will be needlessly burdened."

Though several cities sent communications inviting the American Road Builders' Association to hold the congress and show within their precincts next year (including Montreal), the sentiment among delegates and exhibitors seemed to favor returning to Chicago. The matter of making a selection was left to the executive committee and the directors of the association.

dicade very clearly the trend of the writer's thoughts on this very important subject:

I have purposely place the question of adequate service as first in importance. I do this because I firmly believe that the furnishing of a continuous supply of electric current by the electric utility; of an uninterrupted supply of gas with proper heat units by the gas company; of a reasonably dependable service by the street railway company; and prompt and efficient service over the telephone, are much more important to the public than most of the rate controversies which often attract its attention.

What benefit is it to the workman or the business man if he saves a fraction of a cent or even a cent or more upon a street car ride if he must allow an extra half-hour in the morning in order that he may not be late at his work or at his business? Or, to take an illustration from a closely related field, what is the comparative gain and loss either of the company which is building a factory or of the workmen who are to work in that factory or to the consumers who must pay a return upon the cost of its construction, where there is a low freight rate upon steel, yet the building of the factory is delayed for months because there are no cars available to carry the steel to be used in its construction?

The social and economic importance of public utilities is a matter which seems to require no emphasis. It is not difficult to realize to some extent the enormous losses which would fall upon a community were it deprived of its supply of water, gas or electricity, or of the telephone, or of the street or interurban railway service afforded by the existing public utilities. The fact, however, that a ten, fifteen or twenty per cent deficiency in the services rendered by utilities also causes large social and economic losses is something which is much easier to overlook. Yet every failure of a utility to reach an approximation of one hundred per cent perfect service, is a direct handicap to the community which it serves and is directly reflected in loss of comfort, decreased earning power and increased cost in other lines. The primary essential of a sound public utility policy is the securing of as nearly perfect service as circumstances will allow.

The only kind of regulating body which can handle in any degree the question of adequate service by utilities is the board or commission which can have its engineering staff equipped to establish standards of adequate service. The work of such a staff and of the board acting in view of its recommendations is, however, not that of the supervision of the details of public utility operation. Most of the public utilities have entirely efficient engineering staffs, which are entirely capable of applying the best practice to their problems. Where they need supervision is not in details but rather in being held up to a proper standard of service.

Practically the only way in which there is likely to be a total interruption in the service rendered by a public utility, except for brief periods of time, is because of a strike. Any sound policy regarding public utilities must take into consideration the relation between the management of a utility and its employees, and the danger that labor disputes are very likely either seriously to interrupt the service of a utility or to suspend it entirely. Just how far we can properly go in an effort to prevent this is a subject on which no one can be dogmatic. It would seem, however, that the absolute minimum of such a policy would be the creation of some means whereby the facts of any labor dispute involving a public utility can be investigated and the result of such investigation presented to the public with recommendations as to just

(Continued on page 88).

MUNICIPAL ACCOUNTING

(E. T. SAMPSON, City Treasurer of Outremont. Member of Institute of Municipal Treasurers, Eng.)

Continued from February issue).

It is very desirable that scientific arranging be made of the accounts and of the groups of accounts so as to conform as nearly as possible with the order of the items found in the balance sheet and its supporting schedules. A comprehensive impression of the financial situation at any time can more easily be made by those in control, and interim financial statements can be quickly prepared at any time.

Cash and Banking Operations.

The operation of subsidiary cash books for each of the main sources of revenue is highly to be recommended in municipal accounting. (Taxes, licenses, etc.) Treasurer's cash book will assemble all these details in periodic transfers (monthly or otherwise). The transactions with the bankers are preferably operated in one account only as it will be:

More easily handled and understood and balance quickly outlined. Reduce bankers' charges (it obviates paying interest on overdrawn account while credit balances exist on other account).

Trial Balance.

The customary trial balance book procurable at any first class stationer is suitable for recording the monthly proving of the ledger. This record becomes very valuable when the recommendation as to arranging and grouping accounts is in practice.

Stocks and Stores.

This subject is very much discussed and many treatises have been written hereon. The stores of a municipality are in no way exceptional to the stores of other enterprises, so that many approved systems of accounting of stocks and stores can be made applicable. The strict observance of a clearly defined system is essential to avoid wastes and leakages. Again, care is required to avoid unnecessary and extravagant elaboration of system. Minimum requirements will be appointment of a store-keeper (under control of a financial officer, who shall keep particulars of weights of all goods received and goods issued).

Co-ordination of Books of Accounts.

All account books and ledgers should be co-ordinated one with another, in a straightforward way, and be controlled in the general ledger by means of control accounts of subsidiary ledgers. "The books should be kept in a manner to provide a complete and chronological record of the transactions of each financial period and should offer all necessary facilities for audit in detail. (Extract from report on local authorities' account, to Eng. L. G. B.)

Sinking and Redemption Funds.

By customary usage, the loose term "Sinking Fund" is made to apply to:

1. The annual provision from revenue to reduce capital indebtedness.
2. The accumulated fund to which the annual revenue contributions are transferred.

The lay mind is much confused with these terms, and it would be better for our municipal experts and others to be more precise; for example in preparing or referring to tax estimates, the item of loan charges would be better detailed as:

Loan charges:

Interest on loans,
Principal repaid (including sinking fund contributions).

A sinking fund thus is a fund accumulated by contributions from revenue or administration account, which invested

at an estimated interest yield will be sufficient to redeem the debt in respect of which it was established within a term of years, which term will generally correspond with the term of the loan issue.

The student will immediately notice that the administration of a sinking fund itself may, and probably will, develop into an important and onerous responsibility. On account of much inefficient administration of sinking funds, forms of securities known as annuity or serial bonds have of late years been recommended by some financiers and adopted by many municipalities.

Provincial legislation has been enacted in Quebec requiring municipalities (with some exceptions) and school authorities, in the case of new loans redeemable by way of sinking fund, to annually deposit with the provincial treasurer the required amount of the sinking fund contribution, upon which the provincial treasurer will allow them an earning power of 3½ per cent. Special dispensation therefrom may be allowed by the Lieutenant-Governor.

Needless to say that the sinking fund method of redemption, in those cases where no dispensation has been granted, will become very unpopular and other methods of borrowing will be substituted.

The practice of redemption of debt by sinking funds is a time-honored one, and when thoroughly understood, it is in many cases, very advantageous.

The principal points that require attention in sinking fund administration are:—

1. Accuracy in establishment of annual instalment and earning power thereon;
2. Ensuring the actual transfer of annual contribution from revenue or administration account;
3. Prompt investment and reinvestment of funds;
4. Ensuring that all interest, rents and other revenues of the fund (earning power) are promptly and properly collected.

Now, all these features are capable of being very simple or very complex. Let us examine No. 1.

Annual Instalment and Earning Power. These features are interdependent. The actual earning power in after years may of course vary, according to money rates (so that the amount of the instalment itself should also be capable of being changed when necessary).

Provision for varying sinking fund instalment is seldom, if ever made in Canada. (English Local Government Board Stock regulations allow and require such changes).

No. 2. Transfer of Annual Contribution from Revenue or Administration Account. The bringing of this charge into the revenue account of each year (financial) is of most vital importance. It is here we find the advantage of the more scientific revenue basis of administration. In the case of those municipalities that are still following the cash basis, it will be of equal importance that an actual cash transfer (or bank transfer) be made.

No. 3. Prompt Investment and Re-Investment of Sinking Funds.

The investment of sinking funds is in many respects similar to the investment of the funds of any other trust, with perhaps this difference, that at future dates, clearly determined, the funds must be available for liquidating the loans in respect of which they were established. The classes of permissible investments are set forth in statutes under which the municipality is governed.

Municipal or government securities maturing at or before the maturity of the loan of the municipality form some of the most attractive outside investments.

MUNICIPAL ACCOUNTING.—Continued.

Two forms of investment require special mention, viz:—

1st. Redemption and Extinction of Municipalities Own Securities;

By redeeming its own securities by sinking fund, the administration of the sinking fund is reduced to a minimum. This form of investment will not be profitable however, when the credit of a municipality allows it to borrow at a lower rate of interest than that at which it can invest its own funds in other acceptable securities.

Another important point to remember is that interest upon the redeemed and extinguished securities must be continued and paid to the sinking fund until such securities would have matured.

2nd. Utilization of Sinking Fund for Capital Purposes in lieu of Further Borrowing.

With proper precautions, this form of sinking fund investment is the most profitable and causes the least expense and trouble to the municipality; particularly is this so during the present period of high interest rates. The important points are:

1. Ensuring necessary powers in charter or statute.
2. Establishing the fact that the development work to be undertaken is of such nature and urgency that the city would have been obliged to borrow from outside lenders, should no sinking fund be available.
3. The sinking fund to be treated equally as an outside lender. Repayments of principal being made annually to the sinking fund as will be sufficient (with interest), to liquidate the investment by the date previously determined.

Although perhaps a little beyond the scope of this article, I might here indicate a danger to be avoided by municipal councils, viz:—Utilizing sinking funds, on account of availability at any moment for purposes not properly authorized and of an experimental or luxuriant nature.

No. 4. Control of Investments and Collection of Revenues.

It is of importance that this part of the sinking fund administration be carefully managed. A loose or negligent practise could easily cause considerable losses.

A register of investments could be prepared showing the dates upon which the various items fall due.

Verification of Financial Condition.

The sinking fund should be tested out at least annually to ascertain what difference, if any, exists between the actually accumulated fund and the amount which arithmetically should have been accumulated.

This calculation is very simply made by using the Annuity Table at the same rate of earning power as that upon which the annual contributions have been established.

Preparation of Sinking Fund Register.

City Treasurer Collins, of Birmingham (England) recommends the following form of register, viz:—

Column 1. Period ending.

- “ 2. Loan outstanding at commencement of year.
- “ 3. Loans paid off—or transferred during year.
- “ 4. Loans outstanding at end of year.
- “ 5. Sinking fund at commencement of year.
- “ 6. Contribution during year.
- “ 7. Accumulation during year.
- “ 8. Amounts applied or transferred during year.
- “ 9. Sinking fund at end of year.

RESPONSIBILITY OF MUNICIPALITIES FOR ACTS OF EMPLOYEES

ROBERT M. GOODRICH.

“In a very interesting article under the title of “The King can do no wrong,” in the National Municipal Review Mr. Robert M. Goodrich, of the Detroit Bureau of Governmental Research discusses the vagaries of judicial opinion in the United States regarding the responsibility of municipalities for the acts of their employees. As legal differences are also noted in Canadian judgments on the same question though nothing like to the same extent as in the United States, because of the law of equity prevailing more here in our civil codes than across the line, Mr. Goodrich’s discussion is instructive.”

“L’état c’est moi” said Louis XIV; and as long as that was true the king could do no legal wrong. Kings have been beheaded and governments uprooted, but the “doctrine” still lives. Divine rights and democracies seem so utterly inconsistent that it is almost impossible to conceive one within the other. Yet so thoroughly has the “divine right” doctrine been woven into American municipal law that until now it has been almost futile to attack it.

Case after case has gone to every supreme court in this country testing the responsibility of cities for the tortuous acts of employees. In as many cases the “doctrine” has been a determining factor, in the decision. Formerly its application afforded complete immunity to the government from all responsibility, but the rule, as now generally recognized, attaches liability in those cases where the act complained of is in the commission of some “ministerial function.”

The legal differentiation between “governmental” and “ministerial” is as ambiguous as it is curious. No attempt could be made at a classification. The definition of McQuillan is illustrative: “What are governmental powers and duties, is not subject to precise definition further than to say this: The powers and duties of municipal corporations are of two-fold character; the one public, as regards the state at large, in so far as they are its agents in government; the other private, in so far as they provide the local necessities and conveniences for their own citizens.”

Until recently driving a fire truck has been a glaring example of a governmental function, and an injury sustained by an individual through neglect of the driver could not legally be compensated.

The decision of Fowler vs. City of Cleveland offers the only exception. In that case a by-stander was injured by the negligent driving of a fire truck. Contrary to innumerable other cases, the majority opinion held that the action of the fire department in driving a hose truck was ministerial, and that the city should be liable. To the average reader this would appear sound and progressive, but it is not progressive enough for Judge Wanamaker. “I heartily agree with the authority and soundness of this judgment. I as heartily disagree with the grounds of the judgment.” The majority opinion whittles down the sphere of the governmental function to the aggrandizement of the ministerial. Judge Wanamaker would annihilate the ministerial function altogether, and hold the municipality bound to pay for all injuries in the exercise of its police powers and governmental functions. To him the immunity of a city in the exercise of a governmental function is part and a parcel of the immunity of the sovereign state. “The doctrine,” he believes, “has been shot to death on so many battle fields that it would seem utterly folly now to resurrect it.”

The niceties that may be raised by scholars of political philosophy can no longer be considered practical. The power to compel is inherent in the people, not the sovereigns. It is based on natural, not legal justice. Common councils in many of our cities, appreciating the injustices caused by adhering

(Continued on page 88).

ADEQUATE SERVICE THE FIRST ESSENTIAL IN PUBLIC UTILITIES.

(Continued from page 85).

wages and hours of labor. There is certainly nothing in such a proposal to which either capital or labor can properly object.

We ought, however, to consider whether a sound public utility policy can not go further than this. There have been many suggestions which go beyond merely the ascertaining and publishing of the facts. Arbitration, which can fix minimum or maximum hours of labor, with a duty upon the board regulating the utility to consider such awards in determining reasonable rates for the utility, has been offered as a possible solution. This, of course, binds only the utility.

It has also been suggested that a workman who voluntarily enters an employment where the public is vitally interested in the uninterrupted service to be rendered by the employer, should not be allowed the same freedom of movement as an employee in a private employment, particularly if provision is made for arbitration of his disputes with his employer and the enforcement of the results of such arbitration against the employer. It is not just to characterize a suggestion of this kind as amounting to industrial slavery. A suggestion that one who entered the employment of a public utility must continue indefinitely in such employment, would certainly not be received with any favor. This is, however, a very different thing from a suggestion that restrictions might properly be placed upon the concerted quitting of work by the employees of a utility under circumstances which would cripple or suspend the service rendered to the public by that utility.

That the rate must be sufficient to enable the utility to render adequate service is, of course, purely elementary. It would seem, however, that this obvious truth is frequently disregarded in popular discussions of the problem. Of course, the representatives of the public—or, rather, those who assume to represent the public—do not say openly that the public ought to get more service than it pays for. Not infrequently, however, a politician running for office on the apparently popular platform of reduced public utility rates, without knowledge and without investigation advocates an arbitrary rate for which only an inadequate service can be furnished. Even though it is obvious, one must constantly emphasize, in dealing with the essentials of a proper public utility policy, that no one can get something for nothing, and that this ancient rule is not modified in the least by saying that the business to which it happens to be applied is "affected with a public interest."

Nor must it be lost sight of that the rate which is to enable the public utility to furnish adequate service must be a rate which not only pays the current expenses from day to day, but which enables the utility to put aside a proper fund for the adequate maintenance of its property. This is also elementary—but there is also danger that it may be overlooked.

In addition to taking care of operating expenses and depreciation, the rate must also furnish a proper return upon the investment. This principle is undoubtedly freely granted in theory, but it is not so frequently honored in practice. It is often assumed that the regulating body may arbitrarily set a rate of return beyond which the profits of a public utility will not be allowed to pass. Disregarding entirely the constitutional aspects of the problem, it is, of course, entirely possible for a public utility commission to say that six per cent is an adequate return upon any investment in a public utility. The investor who has his money invested in the utility may be and usually is compelled to take the return which the rate fixed by the commission gives him; but what of the investor who is looking for a place to invest his money? There is nothing in any public utility law which compels any-

one to invest a cent in public utilities. It has been said that a dollar can not be compelled to work. Certainly, whatever may be the economic pressure which induces men to invest their savings rather than to spend them upon luxuries, there is no pressure to induce the investment in a particular business unless either the certainty of the return or its rate equals that which may be secured in other fields of investment. If one branch of the Government says to the investor: "If you invest your money in this business which we are regulating, you may, if you are lucky, get a six per cent return"; and if another branch of the Government says to the investor: "If you will loan us your money, we will pay you six per cent interest upon it"—that Government ought not to be surprised if its first offer is not received with enthusiasm.

There was a time in the history of public utility regulation when the principle that rates must be just and reasonable was of importance chiefly as a protection to the public against excessively high rates. That time has passed. It is possible that it may return; but for the present the chief significance of a just and reasonable rate is that it be one which will enable the utility to perform the duties which it owes to the public and to compete with other forms of investment for the funds necessary to meet the increasing demand for the service which it renders.

The essential feature of a sound public utility policy is, therefore, that it must constantly have in mind the fact that the utility is primarily organized to serve the public. It can not do this properly unless the policy recognizes on the one hand the necessity for a constant supply of labor and on the other the necessity for a constant supply of capital. It is not necessary to talk about the right of the laborer to a proper wage and proper hours of labor or about the right of capital to a proper return. The public utility policy which fails to recognize that these things are fundamental to the adequate performance of the duties of a utility, will in the long run be destructive to the service which the utility renders to the public.

SALE OF STEAM FIRE ENGINES AND HORSE-DRAWN HOSE WAGONS.

Sealed tenders marked "Tenders for Steam Fire Engines and Hose Wagons" will be received by the Secretary of the Board of Control up to 3 o'clock in the afternoon of Tuesday, April 12th, 1921, for the purchase of the following equipment, in good condition:—

- One first size Waterous Steam Fire Engine.
- One second size Waterous Steam Fire Engine.
- (Both equipped with solid rubber tires).

- Five, two-horse drawn hose wagons, equipped with "Archibald" wheels.

Tenders will be received for one or more pieces of the above equipment which will bear identification marks, to be indicated in tender.

The highest or any tender not necessarily accepted.

Further information can be obtained by writing to the Chief of the Fire Department.

NORMAN H. H. LETT,
City Clerk.

City Hall, Ottawa, Ont.,
March 15th, 1921.

RESPONSIBILITY OF MUNICIPALITIES.

(Continued from page 87).

to the rules of law, allow claims over the objection of their legal advisors. Judges, too, must sooner or later come to the realization that their decision must be more largely governed by the demands of the day and the conviction of the community, as to what makes for general welfare.

It is interesting to note that the Georgia supreme court passed upon precisely the same set of facts as appear in the instant case with opposite results. No mention of the Fowler case was made in the opinion.

THE HOUSING SITUATION AND THE WAY OUT

LAWRENCE VEILLER, Secretary, National Housing Association of United States.

The National Housing Association of the United States has always set its face against governmental control of housing, but so acute has the housing shortage become in the United States that even this association realizes the necessity of the government stepping in to relieve the situation. In the following article Mr. Lawrence Veiller, the secretary, states the case clearly:

From every part of the country there comes the cry of no houses for the people to live in. How great the shortage of homes really is no one knows. It has been estimated at from one million to three million.

Serious as the shortage undoubtedly is, there are no cities where the people are shelterless. One sees nobody sleeping in the streets or parks, and so few cities where people are living in tents, that where this situation exists it is a matter of widespread comment.

What has happened is that families have doubled up so that two homes now grow where one grew before.

Even in this respect the country is without authentic or accurate information. No one knows to what extent this practice exists. And yet the facts are ascertainable without great difficulty or expense, for every city possesses a police force and a health department, and a census of such double occupancy could quickly be taken.

Moreover, a paramount obligation rests on the health authorities of every city in the country to know the facts in this regard, as overcrowding holds a menace to the health of the country.

While sanitarians and scientists have been slow to admit any direct casual relation between bad housing conditions and disease generally, it has been scientifically demonstrated and is now accepted doctrine that between room-overcrowding and certain "contact infections" there is a very clearly established and direct casual relationship.

The epidemics of influenza and infantile paralysis which but a few years since swept this country and left in their trail death and misery are, I hope, not so remote as to be entirely forgotten.

Are we so foolish as to think these will not return? Were they to return now, they would find in the conditions of crowded occupancy of homes that exists all over the country a fertile field for their rapid development.

It is a real menace which confronts the country. Those health officers who sit supinely by and do nothing about it have a heavy burden on their souls. The U. S. Public Health Service should be alert and sound a call of warning to the health officers of the country, but no sound comes from Washington. Has the sleeping sickness of officialdom swept over them?

The situation holds a menace to the social order as well. Promiscuity is bound to result in lax relationships, in loosely held marital ties. The Health Officer of the City of Cleveland has stated recently that the returns of the first six months of the current year (and these are incomplete) show in his city alone an increase of 50 per cent. in illegitimate births, which he ascribes to the promiscuous living conditions that exist, caused by the shortage of houses.

The shortage of homes is having a serious effect upon industry. Plant extension is crippled, the development of new industries is discouraged, and the difficulties of living engendered by dwelling in crowded quarters is being reflected in the shop. How far the bad temper resulting from this is responsible for the industrial discontent and low productivity now so manifest, it is difficult to say. That it is an important factor there is no gainsaying.

The effect of the house shortage that is most felt by the public is undoubtedly the economic one. For to that cause

the public attributes the increase of rents which is so general throughout the land.

This situation which exists in all parts of the United States is due chiefly to the fact that since the war the building of dwelling houses has almost ceased. As a matter of fact, for several years before our entry into the war, production of dwellings had greatly diminished.

As illustrative, one may cite the fact that though it is stated that there were 1,040,000 marriages in the United States in 1919, there were only 70,000 new dwellings completed and only 20,000 the year before. Generally, for each marriage that takes place a new dwelling is wanted.

The chief reason why the production of dwellings has ceased, as every one knows, is that they cost so much to build and that therefore there was no market for them — they were beyond the purchasing power of those for whose occupancy they were intended.

The methods adopted of meeting this situation in the United States are radically different from the methods adopted throughout Europe. There, where government housing and government-aided housing have been in practical operation for many years, the natural thing to do has been to place chief reliance upon the Government in the present difficult circumstances and new government-housing schemes have been and are being elaborated. In most European countries the private builder in the housing field is as extinct as the dodo. The economic consequences of such methods, as exemplified by England's imposing on her taxpayer a loss of one hundred million dollars (\$100,000,000) every year for a period of 60 years, we have pointed out in a previous article.

The method of handling the situation in America thus far has been a *laissez faire policy*; a policy of "watchful waiting" for prices to come down, for conditions to right themselves. The country has had before it so terrifying an object lesson of what government operation has meant through the operation by the Government of the nation's railway system at the colossal loss of over thirty-eight million dollars (\$38,000,000) a month, that it has much preferred to do nothing and to suffer the consequences of crowded living for a while longer rather than embark on so economically unsound and hazardous a project as government housing.

There are two radically different conceptions of government. One, which we may perhaps best describe as the German one, looks to the State as the source of all power, and conceives it to be the duty of the State paternally to take care of its citizens, to provide them a living.

The other conception of government is that which we have hitherto liked to describe as the American one, and which governs least. It is postulated upon the theory that man progresses best when he stands on his own feet and gets what life has to offer for him through his own industry, intelligence, thrift and ability.

This may be old-fashioned doctrine, but we hold fast to it. We believe that democracy is better than socialism.

While we thus say that men should stand on their own feet, the situation is different when we see a man, walking on the seashore, sink into a quicksand; we do not then conceive it to be helpful to shout out to him that he should stand on his own feet—instead we summon the neighbors, rush to his aid and with planks pry him out.

Is not the country as a whole in that situation so far as housing is concerned? And if the country has sunk into a quicksand, how can it get out unaided, and who is to help it out?

(To be continued).

A REVIEW OF CANADA'S BOND MARKET.

Mr. D. W. Mitchell, Vice-President of the Dominion Securities Corporation Limited in a "Review of the Bond Market in Canada for 1920," which has been published in the form of a booklet, shows that the total bonds issued in Canada in 1920 reached the substantial sum of \$318,832,081. Speaking of the future prospects of this country Mr. Mitchell says:—

"Canada undoubtedly has anxious months ahead, but when we consider our position relatively with that of other nations similarly undergoing the experiences of deflation, we have every reason to be hopeful regarding the ultimate outcome. Nevertheless it is a time for sober thinking and careful action by all classes. The profits of the recent good years must carry us through the lean period. Those who have saved, whether individuals or corporations, will reap the benefit of their forethought; those who squandered will suffer correspondingly. Unfortunately the fall in values has been so rapid in certain directions that many of those who endeavored to exercise every precaution will incur severe loss, with resulting increase in unemployment and decrease in production. Deflation is therefore most emphatically showing the unfairness of the present Business Profits Tax, which took from so many corporations an unduly large percentage of their earnings, and prevented the building up of those large reserves which every business needs for the inevitable periods of depression. Unquestionably that tax should end with 1920, from which year it will derive relatively little return, and some fairer method of raising revenue be enacted on the Statute Books of 1921.

So far as the general outlook is concerned our leading bankers and financial authorities are quite confident that Canada will successfully emerge from the troublesome times ahead. The reduction in bank credits though severe upon many enterprises, has made it possible for the country to undergo deflation without panic. The value of our 1920 crops is estimated at \$1,636,664,000, as against \$1,452,437,000, for 1919, our exports of domestic goods for the first eight months of this fiscal year were \$17,332,000, over the same period of 1919, while our total trade was \$1,759,000,000, for the eight months of 1920 as compared with \$1,475,000,000, last year, though unfortunately the increase is chiefly represented by imports. Stocks of high-priced goods are diminishing, labor is becoming more efficient and more reasonable in its demands. Immigration is 30 per cent. greater than last year. Transportation is improving, and the decline in prices of basic commodities must have nearly reached bottom, if indeed in some cases this has not been passed. Public demand for goods is accumulating but waiting for the retailers' post-Christmas reductions, realizing that present prices are out of harmony with the decline in raw material quotations.

Enforced liquidation of commodities and the restriction of credit to commercial and industrial enterprises however, have always inevitably meant cheaper money, and the entry of the released funds into the bond market. The increased purchasing power of the dollar is already in evidence, and that increased power will be followed by higher prices for bonds. Undoubtedly erratic conditions will prevail in the early part of the year, but on the whole Canada should witness an active bond market in 1921, with gradually advancing quotations. All long term bonds already feel the first effects of the changing conditions. As taxation in this country must continue heavy for years to come our long tax-free issues should be increasingly in strong demand.

A rapid improvement in general business conditions cannot however be expected in 1921, but rather should we look forward to the gradual evolution of more normal prices, and the establishment of a sounder basis for business than the

THE WORLD'S WHEAT CROP.

In some recent statistics compiled by the United States Department of Agriculture (which did not include the crop of the former Russian empire), it appears that the wheat produced in 1920 in twenty-eight countries aggregated 2,671,807,000 bushels, as compared with 2,571,488,000 bushels produced in the same countries in 1919,—the increase for 1920 over 1919 being almost precisely 100,000,000 bushels. The following tables gives the crops of the several countries in both years:

	1920.	1919.
	Bushels.	Bushels.
United States	787,128,000	934,265,000
Canada	293,361,000	190,729,000
Mexico	14,951,000	14,239,000
Argentina	224,000,000	171,591,000
Uruguay	5,416,000	6,890,000
Hungary	29,139,000	No data
Belgium	8,799,000	9,895,000
Bulgaria	41,180,000	34,028,000
Czecho-Slovakia	24,437,000	14,942,000
Finland	276,000	306,000
France	230,404,000	182,444,000
Germany	80,000,000	79,744,000
Greece	13,287,000	9,693,000
Italy	141,094,000	169,563,000
Jugo-Slavia	48,800,000	No data
Netherlands	6,677,000	6,015,000
Roumania	66,453,000	50,754,000
Poland	18,257,000	20,760,000
Spain	134,455,000	129,250,000
Sweden	11,123,000	9,509,000
Switzerland	3,586,000	3,524,000
United Kingdom	54,380,000	69,320,000
British India	376,884,000	280,485,000
Japan	28,055,000	29,800,000
Algeria	13,902,000	25,559,000
Egypt	27,246,000	30,137,000
Tunis	4,766,000	7,349,000
Union of South Africa	6,630,000	8,983,000
Australia	47,104,000	75,146,000
New Zealand	4,100,000	6,568,000

The 1919 crop of Jugo-Slavia, consisting largely of former Balkan States, was not reported statistically.

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semi-speculative methods that have prevailed in almost every industrial line during the last few years. While the readjustment is working itself out let us hope that Canadian capital and Canadian labor will increasingly get together and that the efforts of both to solve our difficult situation may be facilitated by wise legislation, Provincial and Dominion. This is no time for radical departures from well-beaten paths. Let us have "less Government in business, and more business in Government."

IMPROVEMENT IN CANADIAN MUNICIPALS.

That the market for Canadian municipal bonds is improving is well illustrated in the recent issue of the city of Toronto's bonds for \$5,037,000, bearing six per cent interest, that was sold to a syndicate, comprising Messrs. Wood, Gundy & Co., A. E. Ames and Co., and Aemillus Jarvis and Co., at a price to cost the city about 6.10 per cent. Part of the money (\$2,500,000) is to be used to purchase the street railway, and the balance for school purposes.

GOOD MUNICIPAL FINANCING.

As an illustration of the wonderful strides made by the authorities of our western municipalities to place local finances on a sound basis the following letter from City Commissioner A. T. Stephenson, of Red Deer (Alta.), is instructive:

"I beg to point out that we have not issued any debentures for some years past, and that the debenture debt has been reduced by \$72,261.45 since 1914. We have refused to issue debentures for any purpose whatever, and are striving to get this debt reduced as much as possible.

"For some years now we have made an extra levy to build up, a revenue surplus account to take care of uncollectable taxes, most of which are school taxes on subdivided lands outside the city limits. This account now stands at \$67,686.28.

"While the arrears of taxes are large a considerable part of the arrears are covered by agreements whereby the current taxes and a proportion of the arrears are paid annually. Property owners who served in the Great War were granted an extension of time for payment of arrears in all cases where they wished it.

"Land tax only with a tax on the rental value of business premises, and no tax on improvements, has been in force in Red Deer for many years, and it is rather remarkable that, under this unsound, in my opinion, system of taxation, Red Deer has managed to maintain such a sound financial position up to the present time.

"The imposition of a direct tax by the Provincial Government, on all lands in the city, and the fact that this same Government is taking many revenues rightfully belonging to the city, and not giving sufficient grants to hospitals and schools, added to the tremendous increase in the school demands on the city, make it necessary to find other sources of revenue.

"The Council is now asking for legislation granting the city power to collect a service tax of not more than \$10.00 per year from all residents earning over \$75.00 per month, and a householder's tax of not more than 10 per cent of the rental value of the premises, and is considering assessing improvements for 1922.

"We have cash in the bank at present, sufficient to pay all Treasury Bills and interest due in 1921, and expect this year as usual, to pay all debentures when due and presented."

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THE Statistical Department of this Corporation is at all times prepared to assist Municipal officials in the preparation and sale of their debentures.

Consult us in regard to the—

- (1) Interest rates most suitable for current markets.
- (2) Form in which debentures should be issued to bring the best price.
- (3) Cost of printing bonds.
- (4) Bond Market conditions.

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MUNICIPAL DEBENTURES BOUGHT

MUNICIPALITIES WILL PROFIT
BY COMMUNICATING WITH US
WHEN CONTEMPLATING THE
ISSUE OF DEBENTURES.

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A NEW METHOD OF SELLING BONDS

B. H. PENNY, (London, Ontario.)

Resulting in the sale of \$400,000 debentures since its inception in London, Ont., a year ago a new plan of disposing of city securities is regarded as a distinct success by both City Treasurer James S. Bell and members of the city council.

Under the new arrangement city debentures are sold directly to the citizens instead of finding their way to the public through bond houses. When authorized debentures are not available, but are expected within a short time, the city treasurer accepts money for which he issues a receipt. This is used for current expenses, reducing the amount of short term loans which it is necessary to make from the banks each year until municipal taxes have been collected. As soon as a debenture issue is authorized the money is applied to its account, the interim receipts are called in and the bonds are issued in their places. Interest is paid on the money from the moment it is accepted by the city. This policy has the effect of keeping the market for city debentures always open.

When the plan of selling debentures over the counter of the treasurer's office was adopted it was found that many sales were being lost because debentures were not always available. Citizens who came with a few hundred dollars to invest would be told to return in a few weeks when it was expected that bond issues would have been authorized. Most of these prospective investors, however, did not wish to have their money lying idle. They accordingly went elsewhere and invested in other securities.

In the opinion of the city treasurer this was needless loss. Debentures to finance public improvements are always certain to be issued each year. In many cases the work is under way, but the bonds cannot be sold until it has been completed, although it is certain that they will be issued before the end of the year. The city treasurer saw no reason why money could not be accepted for these prospective bond issues. He tried out the plan and found that it was highly successful.

That was a year ago. Since January 1 of the present year, \$100,000 of debentures to finance a new reservoir; \$35,000 for extension of the water system and \$80,000 for extension of the electrical system, were sold in this manner.

Municipal debentures are found to make a strong appeal to the smaller investors. They have as much confidence in them as in the government Victory bonds. The facilities now

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for investing in debentures on any business day of the year are making practically every citizen a bond holder.

London claims to be, not only the first Ontario city to adopt this plan, but also the first Ontario city to sell its debentures directly to the citizens. The policy was adopted on a large scale soon after Canada's declaration of war on Germany in 1914. It has been pursued successfully since then with one or two exceptions. On these occasions the quick sale of large issues was desired. This could not be accomplished by gradual disposal of small amounts and the whole issues were disposed of to bond houses.—National Municipal Review.

A COMPARISON IN TAXES.

The following figures taken from statistics prepared by the Citizens Research Institute of Canada show the proportion that each taxpayer has to pay in Dominion, Provincial and Municipal taxes in the following cities:

	Dominion	Provincial	Municipal	Total
Vancouver	\$25.14	\$16.87	\$38.51	\$80.52
Edmonton	25.14	12.13	54.53	91.80
Regina	25.14	10.05	32.52	67.71
Winnipeg	25.14	8.60	28.70	62.44
Toronto	25.14	6.23	40.53	71.90
Montreal	25.14	5.50	28.61	59.25
Halifax	25.14	5.26	18.37	48.77
St. John	25.14	6.66	15.82	47.62
Charlottetown.	25.14	5.38	8.29	38.81

The significance of the figures lies in the fact that in proportion to the service given Municipal government costs the average taxpayer much less than either Federal or Provincial government.

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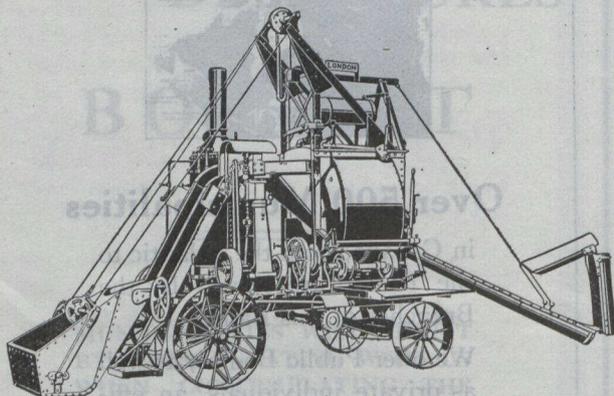
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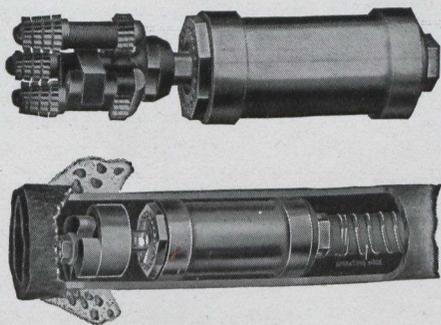
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