

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH,
Proprietor.

ARTHUR H. ROWLAND,
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00. Single Copy, 10 cents.

MONTREAL, FRIDAY, MARCH 16, 1917

PROVINCIAL EXPERIMENTS IN FINANCING.

Legislation has lately been introduced in both Manitoba and Alberta providing for the issue of provincial securities in a form which it is anticipated will induce the people of the provinces to take them up. Manitoba proposes to offer bonds of \$100 or more at 5 per cent. and there is also a suggestion of \$100 deposit certificates payable at sight, bearing 4 per cent. interest. The latter proposal would appear to have dangerous possibilities. In the quite conceivable event of a financial crisis, with a lot of these outstanding, Manitoba Government might easily find itself in an awkward predicament. Alberta also proposes certificates of deposits or securities which will be payable on demand. The securities will bear interest at the rate of 5 per cent., compounded half-yearly, and may be issued in an aggregate amount not greater than the outstanding deferred revenues of the Province as they appear at the end of the preceding fiscal year, the arrears of revenue as they come in from time to time being allocated to a special account to be applied for the retirement of the certificates. It is extremely doubtful whether the proposal to pay as high a rate as 5 per cent. for money due on demand can be justified as sound. Judging by his recent remarks in the Legislature, Premier Norris of Manitoba looks forward to the people of the province controlling their provincial debts at no distant date. This sounds very nice on a political platform, but is in fact extremely doubtful of realization. Western citizens may be contented to loan surplus funds to their provincial government while the demand for capital in the prairie provinces is comparatively restricted. But with a recrudescence of demand, the provincial treasurers will probably find it difficult enough to replenish their cash-boxes in this way. There are strong probabilities that after the war, a very considerable proportion of the domestic War Loans issued in Canada will find a home abroad, their proceeds being utilised in new commercial and industrial developments. The experience of the Western provinces with these home-financing experiments is likely to be very similar. The prairie provinces have a very long economic way to go yet before they achieve the position of normally owning the greater part of the public debt at home. When enterprising Westerners can obtain 8 or 9 per cent. on farm

mortgages; 15 to 20 per cent. in an ordinary commercial venture; and much larger returns as the result of enterprise and constructiveness, they are not likely to be content with 5 per cent. upon Provincial Government bonds. It will be a long time, too, before accumulated Western wealth catches up with Western energy and enterprise.

THE LATE MR. GEORGE P. SCHOLFIELD.

The tragically sudden death from heart failure, while on a business trip in New York, of Mr. George P. Scholfield, general manager of the Standard Bank of Canada, removes from the sphere of Canadian banking, one whose great professional ability was markedly united with those personal characteristics which make for esteem by, and popularity among, colleagues and confreres. Mr. Scholfield's banking career was an unusually brilliant one. At the time of his death he had only reached his 40th birthday, yet for twelve years he had been the chief executive officer of the institution whose service he entered as a lad of sixteen. The great progress which has been made by the Standard Bank under his management is well known, while his weighty counsel was constantly in demand in matters of common interest by fellow-bankers. Mr. Scholfield, who was a native of Chatham, Ont., and prior to his appointment as general manager, occupied for two years the post of manager at Toronto, was also in his younger days an athlete of the first rank, and possibly the greatest lacrosse player ever seen in Canada. His business interests outside the Bank included a directorship of the Manufacturers Life. Church and philanthropic affairs always claimed his attention, while since war broke out his energetic public spirit had led him to take up onerous duties in connection with recruiting organization. His premature death, while still in the prime of life, is greatly to be deplored.

DETAILS OF CANADA'S THIRD WAR LOAN.

The full prospectus of Canada's third war loan appears upon another page. Essential details are as follows:—The issue is of \$150,000,000 5 per cent. 20-year bonds, maturing 1st March, 1937, exempt from all Dominion taxation; issue price, 96, yielding almost 5.40 per cent., principal and interest payable in gold at the Canadian centres and New York; interest payable 1st March and 1st September, with a full half-year's interest next 1st September. Denominations of bonds, \$100 to \$5,000; ten per cent. subscription money payable on application; 30 per cent. on 16th April and 15th May respectively and 26 per cent. on 15th June. Instalments may be paid in full on 16th April and 15th May under discount at the rate of 4 per cent. per annum. Dominion 5 per cent. debenture stock (1919) and War Loan of 1915 will be accepted as the equivalent of cash subscriptions to this loan.

News of the death of Mr. William Chubb, superintendent of insurance for the province of Quebec, has been received with regret by insurance officers resident in the province, by whom the late official was much respected. Prior to his entrance upon his supervising duties at Quebec, Mr. Chubb was for many years chief clerk in the actuarial department of the Sun Life of Canada.