

SOME FINANCIAL FACTORS.

Several factors were mentioned in THE CHRONICLE of last week as affecting the financial outlook generally, and that of Canada more especially. In a recent issue of the New York Evening Post, an enumeration is made of those outstanding influences likely to affect legitimate financial values in the United States. Those apparently favourable are summarized as follows:

- (1) An excess in world-wide demand for capital over supply.
- (2) A very low bank reserve in New York.
- (3) Unsettling incidents in public relations to corporations, such as the Standard Oil and Southern Railway incidents.
- (4) A wheat crop 100,000,000 bushels below last year's and a cotton crop which has the odds of the next few months rather against it.
- (5) The approach of a Presidential election.

On the other hand there are the following considerations to be taken into account:

- (1) Long preparation for a money market convulsion, which usually means that the expected will not happen.
- (2) Easing of the burden on lending institutions through recent Stock Exchange liquidation.
- (3) Very large reduction of market's debt to the interior and Europe, and the consequent reaching of a sounder position.
- (4) A very much better harvest than any one dared to predict three months ago, along with such foreign shortage as assures a profitable market.
- (5) Such continuance of industrial prosperity that even a moderate trade reaction is not yet in sight.

That "even a moderate trade reaction is not yet in sight" seems an over-glowing view. Rather, the hopefulness of the outlook is due to the fact that a moderate slowing-up in industrial expansion seems already to have occurred in the United States, and in Canada as well. As to any drastic reaction, there seems now no real cause for fear. It appears to be a case where the expected—because expected—will not happen. As remarked last week, a panic widely advertised beforehand is apt not to materialize. In Canada, as in the United States, much doubtless depends on the crop outcome. Its uncertainty for a time in our own West was not without an element of helpfulness—in that it checked over-sanguine land speculation. But those who at present are most conversant with grain prospects discount largely the more or less unfavourable reports that have recently appeared—reports based usually or narrowly local conditions. Sir H. Montague Allan, president of the Merchants Bank of Canada, has just completed a tour of Canada's middle west while visit-

ing branches of the bank there. Both from observation and enquiry he is convinced that the grain outlook is a most satisfactory one.

Mr. C. C. Castle, the chief warehouse commissioner of Canada, reports from Winnipeg to the Department of Trade and Commerce that he is confident the Western farmers will realize two dollars an acre more than they did last year. The past five or six weeks have supplied ideal conditions, and crops which looked poor a month ago have recovered wonderfully. He estimates that the Manitoba wheat crop will average from fourteen to sixteen bushels, while Alberta and Saskatchewan crops will be even heavier unless early frost affects late sown wheat in more backward districts. But fifteen bushels per acre at to-day's price would realize more than nineteen bushels per acre at the price prevailing last September. Mr. Castle considers that this fact, together with the reduced cost of harvesting, will place the farmers in a better financial position than last year.

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THE INSURANCE COMMISSION AND ITS ACTUARY.

In THE CHRONICLE of last week some attention was given to the three-column *apologia* from Mr. Miles M. Dawson that appeared recently in The Globe, of Toronto. In last Saturday's issue of the same daily there was also published a reply to the letter of the Insurance Commission's actuarial expert and adviser, signed simply "Manager" and dated Montreal. It deals with Mr. Dawson's statements convincingly, and with keen analysis. As certain points are touched upon more specifically than space permitted in our columns of last week, parts of "Manager's" answer are given below:

HIGH CHARACTER OF COMMISSIONERS.

"(1) That the members of the Royal Commission are gentlemen of high character and good intentions is heartily admitted by all insurance men. That they were absolutely without experience in life insurance matters is, however, equally clear. The only way in which persons can come to an intelligent decision in regard to a technical and intricate subject with which they themselves are unfamiliar is by consulting experts.

A SINGLE EXPERT ADVISER.

"(2) The commission appointed a single actuarial adviser, who alone had access to their ears behind the scenes, and at all times. The report could not fail, therefore, to be immensely influenced by the opinions and prejudices of the expert appointed to the confidential position.

THE GENTLEMAN CHOSEN.

"(3) The gentleman selected was Mr. Miles Menander Dawson of New York, the man who had been the actuarial adviser of the Armstrong Com-