

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

F. WILSON-SMITH,
Proprietor.

PUBLISHED EVERY FRIDAY.

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Editor.

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10 ST. JOHN STREET, MONTREAL.

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

MONTREAL, FRIDAY, DECEMBER 14, 1917.

EFFECT OF VICTORY LOAN PAYMENTS.

The terms of the recent Victory Loan issue make payment in full on January 2nd a decidedly attractive matter for the investor who has money in the bank to cover his whole subscription. Discount on instalments paid in advance of due date is at the rate of $5\frac{1}{2}$ per cent. per annum, and the privilege of prepayment on these terms will, no doubt, be largely availed of. It may be expected, therefore, that in January the banks' notice deposits will show some effects of the Victory Loan. The banks, however, will not lose these funds. They will be transferred to the credit of the Minister of Finance, and later, doubtless, will be used largely to liquidate a portion of the banks' temporary loans to the Dominion Government, which have been piling up in recent months in anticipation of the Victory Loan. At the end of October, the banks' holdings of Dominion and provincial securities, which represent mainly these temporary loans, totalled \$191,939,668, against \$40,759,416 twelve months previously. Their advance during October was nearly \$50,000,000, as a result, doubtless, of the credits granted early in the fall for the British Government's purchases of Canadian packing products and wheat. Repayment of these loans will serve to lighten somewhat the existing burden upon the banks and in the opinion of some observers, there may follow a period of temporary ease in the local money-market. Present indications regarding the war suggest, however, that any circumstances of this kind, if they mature, would be short-lived, in view of the likelihood of fresh calls upon the banks for new temporary war financing.

THE STANDARD BANK.

It is announced that the Standard Bank of Canada has become a stockholder in the American Foreign Banking Corporation, 56 Wall Street, New York, and that Mr. C. H. Easson, general manager, has been elected a director of the Corporation. The American Foreign Banking Corporation was organized under the amendment to the Federal Reserve Act, which authorizes national banks to own stock in a bank organized to engage in foreign and international banking. Stock in the corporation is held by thirteen important banks in as many commercial centres in the United States and Canada. The Standard Bank will act as agent and correspondent of the Corporation.

BANKER'S VIEW OF WESTERN CONDITIONS.

Mr. H. B. Mackenzie, general manager of the Bank of British North America, has recently returned from an extended trip to the prairie provinces and Pacific Coast. A noticeable feature in British Columbia, Mr. Mackenzie states, is the revival of the shipbuilding industry, which is serving a most useful purpose just now in giving employment to a large number of people, and though it is hazardous to prophesy beyond the end of the war, there are hopes that it may prove to be of a permanent character.

In the Prairie Provinces, Mr. McKenzie says, there is quite abnormal prosperity and spending power, due to the ruling high prices for grain. Cash is coming into the country fast in payment of this year's crop, and this finds reflection in loans repaid and increased deposits in the banks. The present offers a unique opportunity to farmers, and others benefitting indirectly through the prosperity of the farmers, to reduce their affairs to a liquid position, and there are many evidences that advantage is being taken of it. Broadly speaking, the Prairie Provinces should make great headway this year in getting out of debt. Moratoria have held at arm's length the process of liquidation in real estate, and this will have to be fixed in the future.

Speaking generally, says Mr. Mackenzie, the present seems a good time to think of setting one's house in order. The war may not be over very soon, but it must end some day, and when it does, there is likely to be a severe scaling down of the prices of all commodities, to which we have recently become accustomed, if not quite reconciled. That will be a trying time to the business community and those will stand it best whose liabilities are comparatively small.

THE DOMINION'S REVENUE.

The revenue of the Dominion for the eight months of the current fiscal year to November 30th, totalled \$170,042,007, compared with \$144,912,574 in the corresponding months of the preceding fiscal year. November's revenue was \$24,322,946, an increase of nearly \$1,200,000 on the \$23,164,766 of November, 1916. Seventeen millions of this year's growth for the eight months is accounted for by the further increase in customs' duties, which for the eight months are reported as \$103,343,711 against \$86,399,360 in the corresponding months of 1916. Revenue from public works is up practically \$3,000,000 for the eight months from \$17,661,569 to \$20,602,142, and miscellaneous revenue by \$3,700,000 from \$12,770,777 to \$16,475,810. Expenditure on current account for the eight months was \$79,566,863 against \$69,567,573. In this connection it is to be remembered that interest charges on debt this year show a very considerable advance over those of last year. Expenditure on capital account during the eight months totalled \$165,349,271, of which \$151,969,271 was war expenditure.

The great contribution which life insurance has made to civilization has not been in the direction of adding to wealth. The real contribution has been in the direction of helping to form the character of the individuals who make up society.—Frank A. Vanderlip.