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**CHICAGO DRAINAGE CANAL.** THE proposal to draw off 6,000 cubic feet of water per second from the great lakes in order to serve the Chicago Drainage Canal raises a national and international issue of the first magnitude. That to take away 518,400,000 cubic feet of water from the lakes every day must seriously affect the levels at the lake ports and in the St. Lawrence system of navigation is obvious. Fortunately great American interests are as much menaced by the scheme as Canadian interests and the plan will not go through without fierce opposition from both sides of the line.

**BRITISH COAL STRIKE.** THE British Government has failed to avert the coal strike, and while it has not, of course, abandoned its efforts to bring about a settlement, no adjustment appears yet to have been initiated which offers much hope of a permanent industrial peace. The situation is very serious for England and, as might have been expected, has brought out a number of radical and rather absurd proposals to avert such calamities in the future. One of the most ridiculous and certainly the most objectionable, is the government ownership of the collieries. The temptation at general election times to bid for the miners' vote by raising wages or shortening hours, and to bid for the consumers' vote by lowering the price of coal, would be very great. If it were yielded to, the Chancellor of the Exchequer would be driven to worse devices than ever to increase the national revenue. What some people do not seem to realize is that there is a limit to the possibility of increasing revenue by increasing taxation.

**CHINESE LOANS.** A remarkable feature of the Chinese revolution is the slight effect it has had upon the prices of Chinese securities in the foreign money markets. A few issues have fallen from 3 to 5 points in London, but at present rates, the best known loans return about five per cent. to buyers. The prevailing impression in financial circles seems to be that while the success of the revolution will not greatly impair the credit of China, the overthrow of the Manchu dynasty may inaugurate an era of greater pros-

perity and progress. There has never been any fear that any change in the form of government would invoke repudiation of the national debt, which would simply be to court foreign intervention.

## HOME RULE FOR MONTREAL.

M. R. Mousseau's proposition that the Quebec Legislature should force the city of Montreal to adopt a pension scheme for its employees is one more illustration of the danger inherent in the system of going to Quebec every year for charter amendments. The city never gets a chance to mind its own business without outside interference, and is continually being saddled with onerous responsibilities for the benefit of individuals. This kind of thing will start a demand for home rule in Montreal which may go to greater lengths than the country members imagine. Meanwhile Montreal should undertake the revision of its own charter, which will be so thorough as to avert these annual pilgrimages to Quebec. Of course, the sanction of the Legislature will be necessary for the new charter, but once in a good many years ought to be enough for charter tinkering.

## THE MONTREAL BILL.

SOME clauses of the Montreal bill have been altered and passed by the Private Bills Committee. That reducing the reserve fund from 5 to 3 per cent. is, we think, unwise. Five per cent. reserve is not too much and it must be remembered that the city can use any part of it left unexpended, the next year.

The clause reducing the borrowing power from 15 to 12 per cent. on the taxable valuation is a move in the right direction and we have advocated this for some time. Owing to the large increase in taxable valuation there will be sufficient borrowing power for all legitimate improvements and permanent works on a 12 per cent. basis.

The resolution asking to be empowered to tax fire insurance premiums two per cent. instead of one per cent. was passed. We consider the taxation of insurance companies is wrong in principle, for it simply means taxing the provident or those who insure their lives and property for the benefit of those who do not carry insurance. The companies, if taxed, must necessarily increase their rates to meet the cost.