

The Chronicle

Insurance & Finance.

R. WILSON-SMITH,
Proprietor

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

VOL. XXVI. No. 44.

MONTREAL, FRIDAY, NOVEMBER 2, 1906

SINGLE COPY, . . . 10c
ANNUAL SUBSCRIPTION . \$2.00

Over-Speculation in the West. Mr. Byron E. Walker, general manager of the Canadian Bank of Commerce, who has just made an extensive tour in Western Canada, says: "The West was never more prosperous, having regard to settlement and business. The present danger, though, is the huge speculation in real estate in all towns and cities. I am not referring, of course, to farm lands." Mr. Walker adds that the speculation is not confined to those who would ordinarily deal in real estate, but people go into it, because it is the big business. With the example of Winnipeg in its early days before them, the people of the western plains ought to be alive to the danger behind a "boom." There is no question that values are too high in the west, altogether too many people are neglecting their legitimate business (including that of paying their creditors) in order to speculate in land and incidentally to artificially stimulate values to a dangerous degree. With the immense areas of land still available for settlement, it is impossible to maintain land at famine prices. Mr. Walker's advice is most seasonable.

The City as a Landlord. Municipal Ownership has not so far achieved much progress in Canada, but people in Toronto are now seriously discussing a most radical experiment in that direction. It appears that Toronto is suffering from a dearth of houses suitable for the working classes to occupy and it is declared that there is no hope of relief through private enterprise. The builders are all busy it is alleged building houses costing \$4,000 and upwards, the returns from which are said to be more profitable than the returns from the cheaper class of property. Now it is proposed that the City of Toronto shall either buy land and build suitable houses for the workingmen or shall guarantee the bonds of any satisfactory company

which will undertake the enterprise certain restrictions being placed on rentals and provision being made to give tenants the option of purchase. The objections to a municipal corporation building owning and renting house property are too manifold to mention and too manifest to need mentioning. The comfortable sanitary and cheap housing of the poorer classes is a subject worthy of all the attention that civic and social reformers can bestow upon it, but private enterprise and philanthropy, between them ought to be able to deal adequately with the matter. The idea, however, always prevails largely that the Government or the municipality should be expected to do whatever needs doing and is left undone by other agencies. As long ago as 1863, the ultra-conservative City of London voted £20,000, and a site on Farringdon Road for the erection of a model lodging house.

The Ontario Bank. The Ontario Bank affair promises soon to be a thing of the past. Owing to the admirable manner in which the situation was grasped, all public interests have been entirely conserved, and so far as the shareholders are concerned, it is now believed that a surplus of probably half to three-quarters of a million dollars will be available for their benefit. In this connection, speaking of auditing; this is a matter which more directly affects the shareholders than the public. The duty of the Government is to see, that the public are protected and it has been proved in various instances that every precaution in that direction is taken under our excellent Banking Act. No doubt, a few amendments may be desirable, but there are few statutes of general application which upon the whole work so well. Some of the banks have outside auditors appointed, for instance the Bank of British North America has the well-known firm of Price, Waterhouse & Company. But, after all, security in banking depends less upon auditing and inspection than upon management.