

AFTER THE WAR PROSPECTS.

A recent lecture by Professor S. J. Chapman, one of the foremost of English economists, before the London Institute of Bankers, contains a number of suggestions which while admittedly the views of an "armchair economist," are of interest to business men as an indication of after-the-war possibilities. Professor Chapman takes an optimistic view. Some people, he said, were looking forward to depression for some years after peace was declared. There might be a period of depression after the war ended; but he did not think it would continue long. There certainly would be a period of change while the world was evolving from the war period to the new conditions. They could, however, look forward to the resumption of peace without concern, as people would be only too eager to resume their old customs. There would be an anxious time in the labor world, and wages would have to be brought back to normal conditions. There would also be anxious times in the City of London. The community, however, would not be thrown into anything like a shock. There would be a failure for some time on the side of demand, and people would have to contract their spending. The demands which were clamorous would, however, fill the breach—machinery and such like.

THE EFFECT ON SECURITIES.

As regards the probabilities of effects on securities Professor Chapman said that if the level of prices went up, the price of ordinary securities (these correspond to common stocks) ought also to rise, so far as they stood for things and not for goodwill. He thought that the prices of ordinary securities would recover after the war. One could not be certain of most things when trying to look into the future, but they could be sure of this—that the rate of interest would rise. If the rate of interest went up, then the value of ordinary securities would rise. Gilt-edged securities, on the other hand, would drop. Shares in companies which had got money at a lower rate would benefit. Debenture interest would go up to 5 per cent., so that would give an advantage to companies that borrowed their money at a lower price. But fixed interest-bearing securities must fall in the degree in which the rate of interest rose. In conclusion, the lecturer said his general view was that with peace they would have an average of high prices, and that many things would happen to ease the period of transition.

Fire insurance on standing grain is said to be developing in the American West.

In the coming fiscal year Great Britain will be paying roughly about 27 per cent. of her war expenditure through taxation.

In view of the stupendous and unprecedented liabilities and obligations which the war is imposing upon us, if we are, as I think we are still agreed that we are, to subordinate every other purpose to its effectual and successful prosecution, one of the first means which prudence and policy prescribe in the attainment of that object is the temporary reduction in every form, both of public and of private expenditure, which can be shown not to be directly conducive to that purpose.—*Premier Asquith.*

REGULATING FIRE INSURANCE RATES.

According to the newspaper reports of his speech made in the Ontario Legislature this week, a summary of which is given on another page, Sir Adam Beck's allegations against the C. F. U. A. were supported by little actual evidence. In the one specified case cited, that of the city of London, when a complaint was made, admittedly it was listened to, which scarcely suggests an eager desire on the part of the C. F. U. A. to indulge in unjust and unfair discrimination. We would suggest that when the proposed Royal Commission has succeeded in measuring the conflagration hazard with absolute and scientific accuracy, that it should spare a few minutes to pondering the thesis that those who hold themselves ready to pay out millions of dollars at any moment may have a strong desire to decide for themselves what remuneration they shall receive for incurring the liability, and that it will further consider what would be the condition of affairs in the province of Ontario, supposing that the fire companies declined to do business at rates decided for them by outsiders.

The understanding in New York banking circles is that orders for munitions and war material placed now do not contemplate deliveries more than three months ahead.

The
Standard Bank
of CANADA

QUARTERLY DIVIDEND NOTICE No. 102

NOTICE is hereby given that a Dividend at the rate of THIRTEEN per cent. per annum upon the Capital Stock of this Bank has this day been declared for the quarter ending 29th April, 1916, and that the same will be payable at the Head Office in this City, and at its branches on and after Monday, the 1st day of May, 1916, to Shareholders of record of 21st April, 1916.

By Order of the Board,

GEO. P. SCHOLFIELD,
General Manager.

Toronto, March 28th, 1916.