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**NAVAL BILL.** **T**HERE are persistent rumours to the effect that in consequence of the deeply regretted illness of Sir Wilfrid Laurier and Mr. Brodeur, the Naval Bill may be dropped for this session. While the opposition to this measure is very much divided it does not seem to arouse much enthusiasm among its friends. There is a general feeling that it does not go far enough. For many reasons a postponement is objectionable because it is open to misconstruction—not only in Canada, but in England, in the other over-seas Dominions and abroad. The debate has at least shown the insignificance of the element which objects to Canada taking its share in the defence of the Empire. It has brought out evidence of the real feeling of the people of Canada on this important subject, and in the light of that evidence we believe Sir Wilfrid should feel justified in going much further than he has gone in the Bill now before Parliament. As a preparation for a possible Anglo-German war the Canadian navy is utterly inadequate. The least the Dominion Parliament should do at the present session is to authorize the construction by Great Britain of two Dreadnoughts at Canada's expense and place them at the disposal of the Admiralty. The question of a Canadian Navy we could well afford to postpone until next session. If nothing is done this session we shall almost certainly have the humiliating spectacle of a divided Canada, some of the provinces making individual contributions to the Royal Navy and some doing nothing. This would have a tendency to re-act upon federal party politics.

**BRITISH POLITICS.** **T**HE political situation in London is still critical.

Premier Asquith has displayed remarkable courage in dealing with his turbulent allies and has earned thereby the respect and admiration of his opponents. He has made it clear that he will only retain office upon conditions consistent with his own self-respect, and as the allies have absolutely nothing to gain by turning the Government out of office, he will probably retain power for a few weeks; under conditions, however, which will prevent him using it to any effective purpose. That another election cannot be long deferred, seems generally recognized.

**DIVIDENDS IN CANADA.** **F**OLLOWING the autumn break of 1907, there were investors who had to grin and bear it while they watched "passed dividends twinkling their heels on the horizon." Fortunately, the dividends passed or reduced in Canada since then have been few—but there have been some. But now, it is the opposite point on the horizon that is being scanned—too eagerly it may be. Increased dividends have been looked for in quarters where they are rightly withheld by directors who realize that lean years have to be provided for during fat years. Also, for instance, those who give ear to the recurrent predictions that Canadian Pacific's common stock is to receive an increased allotment from land sales, fail to take into account the steady increase in the amount of the company's capitalization.

Thus far, the current year's increases in dividends have been chiefly on the part of banks and financial institutions. Following the increase from 8 to 9 per cent. by the Canadian Bank of Commerce, there was the Royal Bank's change from 10 to 11 per cent.—the first quarterly payment of which was this week formally declared by the directors. In view of these and other hoped-for advances, increased investment interest in bank stocks is but natural. Among other leading financial institutions that have raised their dividends to shareholders are: Central Canada Loan, from 8 p.c. to 10 p.c.; National Trust, from 8 p.c. to 9 p.c.; Canada Permanent Mortgage, 7 p.c. to 8 p.c.; Toronto Mortgage Company, 6 p.c. to 7 p.c.

Advances in dividend rates on traction and power stocks in which Canadians are interested, were frequent during 1909; and this year Twin City common has been raised from a 5 per cent. to a 6 per cent. basis. As to rails, the common stock of the C. P. R.'s subsidiary Soo line, was this month raised from 6 to 7 per cent. so that it now shares alike with the preferred issue. Industrial dividend changes, aside from those of the milling companies, were infrequent indeed during 1909—but some are hoped for this year. The Lake of the Woods Milling Co. has this month declared a \$5 bonus on common shares.

There is this to be said in general—that profits of manufacturing corporations are not so seriously affected by high prices for labour and raw material, as are the profits of railway, traction and other "public utility" companies.