

# The Chronicle

**Banking Insurance and Finance**

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F. WILSON-SMITH,  
Proprietor.

ARTHUR H. ROWLAND,  
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,  
10 ST. JOHN STREET, MONTREAL.

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## FINANCE OF THE WEEK.

The "Lusitania" horror has dominated the week's events to such an extent that even the important military moves which have been made have been comparatively overshadowed by it in public interest. The neutral nations now have practical experience of the kind of treatment they may expect if in the present struggle the Allies are beaten and later on countries at present neutral happen to cross the path of the German world-aggrandisement schemes. It may be presumed they will not be slow in learning their lesson. As usual, in pursuing their policy of frightfulness, the German authorities have badly mistaken the temper of their adversaries. Nobody is frightened even by this latest and most terrible example of "Kultur"; merely it has had the effect throughout the British Empire, as in Great Britain, and in the countries of our Allies also, of deepening in intensity the resolution that without haste, but also without fail, stern justice shall be done to those who are responsible for the wholesale murder of men, women and children. Civilisation cannot go on if a mad dog is allowed loose in it.

### OUR AMERICAN BORROWINGS.

While considerable blocks of high-grade Canadian debentures continue to be taken by American financial houses, it is stated that the leading financiers tend strongly to conservatism in their views in regard to the continuance of the demand for our securities which may be expected from this source. A revival of business is reported to be under way in the United States and in addition to financing this, there is also imposed upon American financiers the duty of caring for the American securities which have been hitherto held in Europe and are now being sold by the European holders, and of arranging also new financing on this side consequent upon the maturing of large blocks of bonds and short-term obligations held in Europe, but which it may not be possible to renew there. Considerable uncertainty exists at the present time in regard to the future attitude of Europe towards American securities. Hitherto European investors of all kinds, both

in Great Britain and on the Continent, have held immense quantities of American investments. It has been noted that liquidation of these holdings has been steadily in progress since the war began. While this liquidation has been carried on in an orderly manner, the fact remains that the securities thus sold by Europe have to be cared for with American funds. Hitherto also the United States has been accustomed to look to Europe to take care of, for instance, immense amounts of high-grade railway and other bonds. It is at least a matter of doubt at present whether Europe will be able or feel inclined to absorb these bonds to the same extent in the future as in the past, bearing in mind the enormous obligations which are being shouldered for all kinds of purposes and as seems probable, the great demand for capital which will arise in order to replace the destruction caused by the present war.

In any case, it is necessary for the American financiers to bear these possibilities in mind and that being the case, too free a participation by them in the business of financing Canada's needs is not to be anticipated.

### A NEW BANKING VENTURE.

The Grain Growers Association is getting impatient. Its banking and transportation committee has adopted a resolution urging the government of the Province of Saskatchewan to bring into immediate operation the act incorporating the Saskatchewan Co-operative Farm Mortgage Association. The Provincial Government, it will be remembered, deferred the bringing into force of this act on account of the difficulty in raising money at a reasonable rate to finance the Association and it cannot be said that so far this difficulty have been smoothed away. One of the Association's proposed activities is the establishment of a bank with headquarters within the province to conduct a regular banking business. The object aimed at of supplying to the western agricultural community necessary credits at a reasonable rate of interest appeals to all as a highly-desirable one. But it has its difficulties as well as its advantages, and one of the difficulties, particularly in their banking business which those in charge of the present experiment will find is that their would-be borrowers will be considerably out of proportion to their would-be lenders. Even a grain growers' bank would find it difficult to make advances of funds it has not got.

### THE WESTERN CROPS.

The first of the periodical crop reports, which this year will be followed with even keener interest than usual, makes satisfactory reading. One of the gratifying features of the report now issued by the Manitoba Free Press is the emphasis laid on the fact that seed has never gone in on better tilled soil. The amount put in on stubble will be very small this year. It is said to be evident that with the lesson of the