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GOVERNMENT AND THE SMALL INVESTOR.

The failure of the Dominion Permanent Loan Company, of Toronto, has already produced a demand for further Government control of the loan corporations in which small investors in many parts of Canada, are accustomed to place a considerable portion of their savings. The argument is advanced that the Ontario Government should immediately pass a stringent law requiring the annual disclosure in considerable detail of the number, amount and kind of investments held by loan and debenture companies doing business in the Province. This reform may be desirable, particularly in view of the fact that the present annual report of the Ontario registrar of loan corporations is conspicuous by its lack of any information from which a competent opinion can be formed regarding the real position of any individual company. But the fact needs to be recognized that any reform of the character suggested is not a "cure-all" for the protection of the small investor. In the case of the Dominion Permanent, a leading factor in the failure appears to have been the investment of a large amount of funds in a small and unsuccessful railway in British Columbia and the State of Washington—an investment, be it said, which the present board of directors were in no way responsible for making. Had the facts been stated in the annual provincial returns, it would have been obvious to any competent financial critic that the Company had not only put too many eggs into one basket, but that the investment was an improper one for a loan corporation. The Company, however, would still have been able to place any value upon the property that it saw fit, and justify by specious argument its position, to its depositors and debenture holders. Unless, therefore, the Government engaged in an independent valuation of the railway and other assets, the small investors most interested would be little wiser, and valuations of properties of this kind, as well as of mortgages, are very much matters of opinion. In any case, the small investor and the competent financial critic do not meet too often. While the publicity regarding investments, now being agitated, might do a certain amount of good, its effect would not be far-reaching. More to the point would be the development of the Ontario registrar's department on the lines of the Insurance Department at Ottawa, with a trained staff and suitable powers of active supervision of the loan companies. Many of these companies carry on their business upon a high plane, and Government supervision is not

for them a necessity. But laws are made less for the guidance of the wise, than for the restraint of the unwise, and if there is to be Government protection of the small investor, it should, at least, have some pretensions to reality.

MONTREAL'S GOVERNMENT.

Sir Lomer Gouin's plan for the re-organisation of the City of Montreal's administration is heartily welcome, as the most reasonable and promising effort which has yet been made to give the city, honest and intelligent government. Five commissioners are to be appointed, in whom the powers of the Board of Control and City Council will be vested. Three are the present City Attorney, City Comptroller and City Treasurer, the other two being appointed by the Lieutenant-Governor in Council for a period of four years. There will also be a Mayor and twenty aldermen. The details of the plan indicate that the commissioners will have a free hand in their administration of the city's affairs, since only in certain cases, and those not important ones, have they to go to the Mayor and aldermen for the approval of their plans. These can only be rejected by a three-quarters majority, and the Mayor has no power of veto. Practically, the aldermen will be in a position where they can make recommendations to the commissioners regarding the needs of their wards, but do very little else, while the Mayor will be a civic figurehead. It is to be hoped that the salary of the Mayor will be so much reduced as to make the post not worth while for any self-seeking individual. The plan means a complete break with the old conditions and regime, and furnishes an opportunity for men of ability to re-organise the whole of the City's affairs for efficient administration, placing the City in the position to which it is entitled and regaining, for it, its financial standing. It is a satisfaction to THE CHRONICLE that Sir Lomer Gouin's plan follows the lines of a suggestion made in these columns at the New Year.

Maisonneuve's annexation to the City of Montreal solves the serious problem with which that Municipality was faced in the meeting of its financial obligations—a matter which has lately given bankers and bond-houses a good deal of anxiety. The very proper stipulation is made that an additional tax on real estate of practically one per cent. above the taxation in Montreal as at present constituted, shall be paid by the Maisonneuve proprietors for 15 years, so that the debt charges of the newly-annexed portion of the City will not have to be shouldered by the remainder.

MONTREAL CLEARING HOUSE.

The report of Mr. H. B. Walker, chairman of the Montreal Clearing House, shows a great expansion in the volume of bank clearings, the total figures for 1917 of \$4,188,255,210 being 12.5 per cent. over the very high mark reached in 1916 of \$3,722,609,663. The records for the day, week, month and year have all been broken during 1917. From August, 1915 until October, 1917 each month's total clearings showed a large gain over the figures for the corresponding month of the previous year, but a decline was shown in November and December, doubtless due to the inactive conditions of the Stock Exchange, which followed the adoption on 30th October of minimum trading prices for securities.