

value, the rights pertaining to the issue in question should be worth about \$17 per share.

And if there was a prospect of another such transaction in a couple of years, the market price of the stock might easily rise to a 4 per cent. basis, or \$300 per share. If so, the bank could get \$200 per share for its next issue, and still put it out at 100 points below the market.

Of course, under that system of offering new stock it would not be feasible to increase the dividend rate as is done at present. The capital would be increasing a little more rapidly, and besides, the stockholders would be getting virtual increases in their rights to subscribe.

Under such a policy the rest or reserve fund would perhaps fall behind the paid-up capital in point of size. It would consist more largely of earned profits, and its growth would be slower.

The eminent Chicago banker quoted at the beginning of the article remarks as follows on this phase of the subject: "This process may be slower and more troublesome to the managers, but in the long run it redounds to their credit. It is in the interests of shareholders that they should have an opportunity to subscribe for new stock issues at a reasonable rate."

If the shareholders could expect that they would have the opportunity from time to time of subscribing for new stock at low prices, there would scarcely ever be any question of the absorption of new issues made by well-established banks. And the chances are that the increase of capital would be more proportionate to the increase of liabilities.

ACREAGE AND AGRICULTURAL PRODUCTION

Canadian agriculture is the topic of interest just now. The early opening of navigation has hastened the transportation of last year's wheat crop. Suitable weather having prevailed, seeding is proceeding throughout the West.

The Monetary Times' Annual Review contained an article, "Retrospect and Prospect," in which was this sentence: "Another problem which the nation must face immediately is the question of rural depopulation. That in an agricultural country especially is a serious matter." An Irish firm of stock brokers has coupled this with the statements of a correspondent of the *London Economist* relative to the decrease in acreage and value of last year's Canadian crops as a basis of a warning to their clients who might be likely investors in Canadian securities:—

"All that can be said at present is that there is a tendency in the Canadian immigrants to cluster into towns and seek employment there instead of on the land," continues the letter. "As this fresh population hungers for the city comforts and conveniences, to which they have probably been accustomed, one Canadian town vies with another in setting forth its superior residential attractions. This vigorous campaign to capture new inhabitants has not been unattended with ill effects. To this source may be traced much of the wild speculation in town lots at absurdly inflated prices; and to this cause may likewise be ascribed, at least in part, the Canadian municipal borrowings, so familiar to everybody, in the London market. Whether this eager absorption of fresh population by Canadian towns is a healthy process in the development of Canada is, indeed, open to grave doubt."

Then follows a statement relative to conditions in Argentina before the Baring crisis, just as if the writer thought such a crisis was coming in Canada. While such a problem as stated by the Annual Review exists, and while there was a decrease in acreage and value of Canadian crops last year, these things are of temporary character.

Rural depopulation is a problem and an adverse factor, but one which is receiving much attention. The Dominion government is lending its assistance. The provincial governments are alive to existing needs. New Brunswick is making progress in the solution, and so are all the other provinces right across the Dominion to British Columbia, where the land settlement question is a live one. Decreased crop acreage was not a sign of decay, but, as Dr. Archibald Blue, chief officer of the Dominion census and statistics office, in a recent issue of *The Monetary Times*, stated:—

"Anyway, it is certain that the decrease to which the correspondent of the *London Economist* calls attention is attributable entirely to the abnormal character of the season of 1912, and not to any other set-back in the development of the northwest or of other areas of Canada."

From all available reports received by *The Monetary Times*, this may be remedied even this year, for a substantial increase in acreage is expected to be shown in the year's returns. Diversified farming is growing, as is shown in the following statement:—

"We have imported beef, mutton, poultry, eggs, and the bulk of our garden stuff. These are now receiving much attention, as well as other products. I think there is no doubt that the value of products in Saskatchewan this year will be very much greater than it ever has been," is the opinion of a prominent Regina citizen, while Mr. C. W. Rowley, the Winnipeg banker, a gentleman who knows the West as only few do, remarked in an interview published in last week's *Monetary Times*:—

"The foundations of her prosperity are laid broad and deep. We, like all other countries, will have our periods of depression, unscrupulous promoters, etc., but notwithstanding this each ten years will show a decided improvement in general conditions and material development."

Statements such as the foregoing from those who are right at the centre of contention should do much to make fearsome individuals who think and write of crises and setbacks realize that the agricultural population, producers and production will in the near future show noticeable growth, and turn their thoughts and writings to the solidity and security of the advances made in the development of the Dominion's varied resources.

SMALL CHANGE

In August last one purporting to be a journalist associated with a London daily in an interview stated his articles relative to Canadian investments "would create one of the biggest sensations in the history of British finance." At this time *The Monetary Times* stated it was waiting for the sensation.

It still waits.

It now appears an English writer, who admits he has never been in or seen Canada, is writing a series of facts in a journal for investors, the said facts having been gathered from publications and persons who have returned from the Dominion. The articles are of a detrimental nature, the premises contained in them absurd. No notice need be taken of such vagaries.

The National Institute of Journalists are shortly holding their convention at Montreal, when a number of representative British writers are to visit the Dominion and make a tour through it.

Being trained observers and skilled investigators, they, with their native inborn caution, will be able to garner for themselves such supply of conservative facts and to form such opinions as will effectually meet these and all such effusions, and show that Canada's progress, prosperity and expansion is an actuality of which the future will show but greater growth.