

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

Dominion has suffered from frost, chiefly because the depth of snow furnished a sufficient protection and because the more even temperature of March and April did less harm than the usual alternations of thawing and freezing.

It is now possible to appraise the price-cutting eruption at something like its true value. It does not signify, as was pointed out in these columns, some weeks ago, an immediate and general decline in prices, but it does indicate a certain amount of unrest and possibly, the fact that the steady unimpeded movement upwards of prices has about come to an end. Prices will probably go on moving upwards on certain lines, but in others will be uncertainty and unsettlement — in fact, uncertainty and unsettlement are already apparent in the United States. New England textile mills are beginning to curtail production, and manufacturers are frankly declaring that they expect to have a large portion of their machinery idle because of the break in prices, inability to book orders and conditions which make retrenchment in the cost of production absolutely necessary. On the other hand, it is pointed out, and this criticism holds good of Montreal as it does of American centres, that while goods have unquestionably been subjected in some cases to drastic cuts, it looks as if in most cases they were goods of the less desirable class. Merchants are apparently experimenting with the market, offering at reduced prices wares that have overstayed the season, or those which the experience of recent weeks has shown not likely to be in eager demand. It is yet too early to appraise the effect of the new "luxury taxes" in this connection, but their appearance at this time, when the public mind has become unsettled will, we should say undoubtedly be to cause the public to hold-off purchases to some extent. It is noted that already the effect of these taxes has been to secure some reduction from previously ruling prices of articles affected, and this tendency may be expected to continue. While a reduction in purchases means a lower revenue from these taxes, they have of course, a double object, and the Minister of Finance will probably be well satisfied

with only a moderate revenue if these taxes succeed in helping to some extent to put a stop to the extravagant spending of practically every class of the community.

Mail advices now to hand from Japan show that the financial panic in that country is an extremely serious one, and marks a definite ending to "war prosperity in the East. Wholesale prices of all commodities have slumped enormously, and in the case of rice, the staple food of Japan, the decrease in price has even reached the consumer. Many businesses have gone to the wall, and one of the big banks has been forced to suspend payments. The panic is the inevitable sequel to a wave of absolutely crazy speculation as a result of currency inflation in the island Empire. Its effect will probably be felt here at an early date in lower prices of Japanese raw materials and manufactured goods, and on that account, the course of events in Japan is of interest here.

### LLOYDS BANK LIMITED

The sixty-second statement of Lloyds Bank Limited reveals the available profits for the year ending December 31st, 1919 at £2,876,302 after making full provision for bad debts, income tax, salaries, bonuses, annual contribution to Provident and Insurance fund, and charges of all kinds. To this has been added £472,755 brought forward from the previous year, making a total of £3,349,057.

Out of this total a dividend at the rate of 18 $\frac{1}{8}$  per cent. per annum, was paid for the half year ended June 30th, 1919, amounting to £572,377. The sum of £200,000 was placed to the Bank Premises account and £1,150,000 to the Special Contingency Account for writing down the Banks Investments; £50,000 was allocated to the Staff Widows and Orphans Fund; and £150,000 added to the Reserve Fund. After making these appropriations, there is a balance of £1,226,680 remaining, out of which it was decided to pay a dividend for the half-year ending December 31st, 1919, and a bonus of three shillings per share for the same period. The dividends and bonus together represent a distribution for the whole year of 20 per cent. The balance of £505,420 was carried to profit and loss, against £472,755 brought forward in 1918.

Lloyd Bank have a paid up capital of £9,420,544 and reserve fund of £9,675,105. Its total Assets amount to £377,113,928.

### WINNIPEG BUILDING BRISK

An increase in building operations of over 100 per cent. is shown in the building permits issued since the first of the year. Approximately 1,000 permits have been issued, amounting to well over \$4,000,000 in value, which is an increase of 800 per cent. over last year in the amount involved.