The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

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Annual Subscription, $3.00. Single Copy, 10 cents.

MONTREAL, FRIDAY, JULY 28, 1916

FOREIGN SECURITY OFFERINGS IN CANADA.

It says a good deal for our national *naivete* that at this date it should be necessary for the Minister of Finance to issue a polite warning against offerings in Canada of foreign bonds issued in the United States, with the reminder that these offerings can, if necessary, be prohibited by law. The present transgressors, of course, offended in sheer innocence They saw an opportunity of getting their clients into highly desirable investments, and incidentally of turning an honest penny in commission. What harm could there be in it? None at all of course in ordinary times—it might even have been economically commendable. But in these extraordinary days, as the Minister of Finance reminds us, "it is of supreme national importance that the financial resources of Canada should be conserved for our own purposes and that as much of the national debt as possible should be held in Canada." War means willingness on the part of Canadians to go without Anglo-French and other highly desirable bonds yielding 6 per cent. or thereabouts, as well as willingness to fill overseas battalions. Perhaps the former is harder than the latter—it is so much less heroic!

It is well known that those in charge of the Allied Governments' financing, which is now being conducted on a basis of close mutual understanding that, two years ago, would have seemed incredible, are now following the policy in the United States of making their munition and other orders depend to some extent at least on willingness to finance them. There is no good reason why Canadians should relieve, even to a small extent, our neighbours to the South, whose pockets are pretty well lined these days, of the job of financing orders, of which all the profits go to the States. Every dollar that Canada can save can be well, profitably and patriotically employed in (1) taking up our own War Loans; (2) supplying Canada's commercial and other needs—it begins to look as if there is a big job ahead in financing the new crops; (3) giving further credits to the Imperial Government—orders following which mean continued activity for Canadian factories; (4) buying back our own securities held in London. All this war financing can take every dollar we can spare until hostilities cease, at least.

REPAYING DEBTS.

Complaint is made that, notwithstanding the bountiful western harvest of last year and the high prices realised, that only two millions of the fourteen million dollars lent by the Dominion Government under 1915's seed grain legislation has been repaid, and the inference drawn is that indifference and carelessness on the part of the debtors are responsible. Probably, this inference is justified to a certain extent. Insurance companies and other lenders in the West have had from time to time to complain of this kind of thing as shown in failure to meet at due date interest and other obligations on school district bonds, etc., and it is believable that what happens in the case of a community also happens with the individuals composing it. Carelessness and indifference on the part of debtors, however, are probably only half the story, the other half of which is the failure of the Dominion authorities to adopt a vigorous policy of collection. In Utopia, doubtless, all debtors will be so sensitive to their obligations that they will insist on meeting them immediately they become due, but present-day circumstances being as they are, unless creditors show a reasonable amount of activity in getting after debtors, some proportion of the latter are bound to take advantage of creditors' slackness. In view of the grave injury which the seed-grain legislation inflicted upon mortgage interests in the West, the least the Dominion Government can now do is to adopt a vigorous policy of collection in order that these loans may be cleared off as speedily as is practicable. Without inflicting hardship upon individual debtors, it should be quite possible to collect the great bulk of these outstanding loans after the coming harvest.

ROYAL BANK'S NEW STOCK.

The Royal Bank of Canada is calling for tenders for the whole or any portion of 1,640 shares of the bank's stock, this stock being the unaccepted allotments and the unallotted fractions of the new issue of 4,400 shares announced in January last. The basis of the issue was approximately 1 share of new stock for every 27 shares of old. The terms of the Bank Act prevent the allotment of fractional shares, so holders of less than 27 shares—a very considerable body—were unable to avail themselves of the unusual opportunity of subscribing for Royal Bank stock at par. The new stock that would otherwise have gone to such shareholders is now being offered to the public and any premium realized from the sale will be distributed pro rata among the shareholders who failed, or were unable, to take up the new shares.