The Chronicle

Insurance & Finance.

R. WILSON-SMITH, Proprietor.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY.

VOL. XXV. No. 23. MONTREAL, FRIDAY, JUNE 9, 1905

SINGLE COPY, . . 10c
ANNAUL SUBSCRIPTION $2.00

National Debt Of Great Britain.

A Parliamentary paper has been issued showing the extent of Great Britain's National Debt, which is thus summerized by Sir E. W. Hamilton:—

Funded debt, 31st March, 1905	£635,682,85
Terminable annuities 1905	47,756,246
Unfunded debt	71,633,000
Other liabilities	41,664,382
Gross liabilities of the State 31st March, 1905	£796,736,491
Equal in currency at par to	$3,874,919,805

There was a net increase in 1904-5 of $11,191,000. The debt per head of the population of the United Kingdom is now $90.11.

Obey Orders And Be Safe.

An agent of the Queen recently declined or neglected to cancel a policy when so instructed. The property was burnt and the company being sued was compelled to pay the claim. Now the agent is being sued for payment of the amount lost by his neglect. Prompt obedience to orders is the only safe course.

Tests Of The Value Of State Bonds.

Mr. Newmarch, who is a recognized authority on such matters, gives the following rules which in his judgment really determine the proper value of State securities:

"(1) Economic administration of the country; solution given to questions of finance and credit.

"(2) Movement of foreign and domestic commerce.

"(3) Exchange conditions.

"(4) Payment, more or less easily and regularly, of taxes.

"5) Increase or decrease of revenue receipts.

"(6) Condition of the circulation of government paper, banknotes, and loans.

"(7) Condition of the floating debt.

"(8) Financial patronage of such and such a bank or institution of credit.

"(9) More or less extended market of State securities."

Another Spanish-American Compromise.

Another illustration of the risk run by investors in Spanish-American securities is given by the arrangement just made by the Council of Foreign Bondholders by which the bondholders agree to accept $7,560,000 in liquidation of the debts of the City of Santa Fe, the capital of New Mexico, amounting to $11,747,000, which is 64 cents on the dollar. Should default be made in two consecutive half-years the reduction is to becom inoperative and the full original claim will be enforced. The city is not bound to redeem the debt at any specified date, but reserves the right during thirty years to effect such redemption by payment after 6 months' notice of 80 per cent. of the nominal amount of the debt. This latter arrangement will make 80 per cent. the maximum price these bonds will ever reach, which is a very remote possibility. It is a very strange proposition that if the debtor continues insolvent his debt will not be reduced, but if his finances so far improve that he contemplates paying his obligations he is to be allowed a further reduction of 20 per cent. Another southern city, Cordoba, is about entering into a similar arrangement. One can only wonder that investors can be found to buy the securities issued by such States and municipalities and corporations in Central and South America as have given endless trouble to their creditors, when the securities of their own country are available which are "as good as the wheat."