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## THE GENERAL FINANCIAL SITUATION.

President Wilson's address to Congress on the subject of the high cost of living has been read locally with a good deal of interest. But whatever effect the address may have had upon an over-bought Stock Market, business circles are disposed to adopt a "wait and see" attitude, while freely admitting the excellence of the President's intentions and the cogency of his arguments. The United States, it is remembered, has many times before this embarked upon sensational campaigns against business wrongdoing. The sensations achieved have not always measured up to the sensations. That dishonest and unscrupulous individuals engaged in all kinds of business have used the shortage of foodstuffs and other stable commodities to enrich themselves at the expense of the community, there is no manner of doubt. But those who have thought most on this subject and whose opinion is most to be trusted by the man in the street, are disposed to lay more stress on the old-fashioned virtues of economy in consumption and increase of production than on any sensational campaigns of the sort now being inaugurated by our neighbors. If this campaign is really successful, well and good, for it will have some effects in Canada. But it will be well not to pitch expectations in this connection too high, or they may be disappointed.

Some reference was made in this column last week to the question of the maintenance of British financial supremacy, and it may be interesting at this time to mention another matter in which Canada is also vitally interested, that of British shipping. While the Canadian mercantile marine has made proportionately large strides during the war years, and the present programme of Government and other shipbuilding business, an increasingly important place for Canada among the maritime nations, it is as clear as noonday, that the development of Canada's export trade depends very largely upon adequate facilities being furnished for shipping abroad under the British red ensign. There has been a good deal of lugubrious talk

about the decline of British shipping, but apparently that lugubrious talk is mainly indulged in by amateurs in the business, no new thing, by the way. At all events, Sir Owen Phillips (and there is no greater authority in the British shipping world) will have none of it. In a recent address he observed: "I, for my part, have confidence in the ability and capacity of my countrymen to give a good account of themselves in any fair competition, providing the Government, whilst continuing to do everything possible to insure safety at sea, does not hamper industry and commerce, by maintaining war restrictions in times of peace, and provided that it takes steps to see that British ship-owners have the same facilities in all countries of the world, as are afforded to the ships of other nations in British ports." As regards American competition, Sir Owen Phillips remarked that there was room in the ocean trades of the world, to share the place forfeited by Germany as the result of her gross breaches of international law. Sir Owen Phillips also mentioned the interesting fact that despite war losses, Great Britain still owns nearly one-half of the world's tonnage, a fact somewhat apt to be overlooked by the Jonahs.

With the great expansion in the ranks of Canadian investors which has taken place as a result of the wide distribution of the various war loans, the time appears to be ripe for a greater degree of confidence in their shareholders by the heads of many corporations displayed through the publication of financial statements, in a form more easily understood by those not fully versed in accounting intricacies. Only those who are professionally engaged in the dissection of accounts or the criticism of financial statements, are fully aware of the varied forms which these statements can take, and of the paucity of real information afforded in too many cases to shareholders thereby. Even in such an elementary matter as "net profits" there is no uniformity of practice. It is a too common practice to state the amount of "net profits" before taking into consideration interest on bonds, depreciation, etc., although it should be apparent

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