

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, MAY 7, 1915.

FINANCE OF THE WEEK.

At the beginning of the week the cables mentioned the interesting point that in London funds have become so plentiful that capital applications are being pushed forward to take advantage of the favorable situation. It is said that the Treasury committee, while maintaining the rules of the embargo upon public issues, is showing a friendly attitude to these applications. It is also known that the question of lifting the embargo, either partially or wholly, at a date prior to the conclusion of the war, has been raised. It is probable that the British authorities will only act with the greatest circumspection and caution in regard to that matter particularly in view of the facts in regard to the cost of the war which were disclosed to the public this week in Mr. Lloyd George's budget speech and the necessity of arranging sooner or later for huge borrowing operations to take care of the issues of Treasury bills which are now being made daily. The Chancellor of the Exchequer intimated that on the basis of the war continuing six months longer an estimated net deficit beyond estimated revenue for the year of £514,346,000 would have to be covered by borrowing, and if the war continues twelve months, £862,332,000. The net cost of the war up to the end of the last financial year at March 31st, has been £307,000,000.

LEAVING POSTERITY TO PAY.

These enormous figures, combined with the fact that no new taxation was outlined in the Chancellor's speech suggest that the task of paying for the war is going to be left to posterity to a considerably greater extent than a few months ago seemed to be indicated in the course adopted by the British financiers. It is true that Mr. Lloyd George gave the warning that if the war were prolonged it would be his duty to consider in what other form the general community could provide funds to enable the country to carry it on. It may be assumed, however, that the British statesmen, when they are able to get some line upon the length of the war and its probable cost will be anxious to avoid increasing the burden of present

taxation beyond what is absolutely necessary. Moreover, as the allies are fighting in the interests of the liberty of Europe's posterity, there is certainly good moral reason for insistence on a course which will not make the financial burden upon the average individual of the present day too heavy a one. So that it is perhaps not going too far to anticipate that, consistently with the canons of sound finance, those in charge of British finances will in the near future be concerned with a policy of placing war finances on a basis which will ensure that individual, commercial and financial enterprise in the years immediately following the close of the war are not unduly oppressed by the burden of taxation.

In any event, there remains no reason to doubt that, sooner or later, the date being dependent upon the developments of the war, British capital will again be available for Canadian investments and then in such amounts as will fully meet Canada's legitimate borrowing requirements.

WESTERN CONDITIONS.

A cheerful account of western conditions is contributed by Mr. Norman Lambert, well known as an authority on the Prairie Provinces, to the Toronto Globe. According to Mr. Lambert, wheat, which has been giving way in an increasingly large proportion to feed grains of late, is the overwhelmingly big crop for this year. The area devoted to wheat in the Prairie Provinces this year is over thirteen million acres, which is an increase of over twenty per cent. over 1914, and with the help of favorable weather conditions, which, of course, are the most important consideration, the west should be able to produce a wheat crop of at least 250,000,000 bushels. In anticipation of good times to come there has been created a feeling of great confidence. In the cities, however, conditions are said to be less satisfactory, but at present there is said to be no serious danger of default of any payment of interest on debentures on the part of any western municipality.

AMORTIZATION MORTGAGE COMPANIES.

The advent of several American amortization mortgage companies in the West is noted. The loans made by such companies are for long terms extending to even forty years. Borrowers, however, have the privilege of paying off any portion of the loan at any time, without notice or bonus. If a borrower desires at the end of five years to wipe out a thirty year loan, he is at liberty to do so.

The National Trust Company, Ltd., have now removed their Montreal office to their new building at 153 St. James Street.

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The Montreal office of the Union Assurance Society of London, and of the North West Fire of Winnipeg, has been moved to more commodious premises, at the corner of St. James Street and Victoria Square.