

The Chronicle

Banking Insurance and Finance

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FINANCE OF THE WEEK.

Apparently the business community will do well not to pitch its expectations regarding this year's western crops too high. A bumper crop is apparently not to be anticipated. The Manitoba Free Press, whose crop reports are generally reliable, comes to the conclusion in its latest report that with warm, moist weather throughout the first half of July and good ripening weather after that, the Canadian West stands to reap a fair average crop. While the present facts suggest a curtailment of the very bountiful promise of the early part of the season, they do not, however, take away from the fact that the West will have, with ordinary favorable weather from now on, a very large quantity of grain to handle. In any case, with the high prices for the product which seem likely to rule, large returns will be secured from only an average crop, and these should have an important effect upon the economic and business situation generally.

A GREATER PRODUCTION COMMISSION.

The Dominion Government's announcement of a new commission to enquire into such subjects as immigration, agriculture, transportation, the borrowing of capital and the marketing of food products, all in relation to the question of stimulating greater production in Canada, with a view to meeting conditions arising out of the war, is a welcome indication that the Government is alive to the necessity of more co-operation and more method in our business if it is to be successfully developed under the new conditions which will supervene at the close of the war. Whether any results occur from the Commission's labours, depends upon the use which is subsequently made of them. Reports of Royal Commissions have a habit of reposing peacefully on dusty shelves following their publication. If this is what is going to happen in the present instance, the non-appointment of the Commission will prevent a great waste of time, energy and public money. Presumably, however, the Government has already made up its mind that the results of the Commission's labours, when they are available, shall be made use of by the various departments of administration to base suitable action upon, and that legislation and administrative efforts based upon the recommendations of the Commission will be at once put forward, with a view to the practical improvement along approved lines, of conditions

in the several lines of development indicated as the scope of the new Commission's labours.

RURAL BORROWINGS IN SASKATCHEWAN.

Something in the way of intelligent co-operation in borrowing by small rural authorities appears to be in process of accomplishment in Saskatchewan. The local government board of Saskatchewan at Regina recently addressed a circular to rural school districts and rural telephone companies, offering them the privilege of placing their debentures in the hands of the board for sale. In doing this the board considered it possible that by the system of obtaining comparative bids the local authorities might secure a benefit in the way of better prices, and, on the other hand, better facilities for purchasing might be obtained by the dealers. The method followed by the board is to collect a number of issues and offer them for sale by tender. The board furnishes on application information concerning the various local authorities, and on a fixed date opens the tenders and awards the issues. The debentures are prepared by the board and delivered on payment of the purchase price, and the net proceeds are remitted to the issuing authority, after deducting a small fee equal to actual expenses. A procedure of this kind is certainly a considerable improvement on the rough and ready methods of borrowing practised formerly by some of the small western municipalities.

STEEL CORPORATION'S OUTLOOK.

Shareholders of the Dominion Steel Corporation were regaled with a cheerful address by the President (Mr. J. H. Plummer) at the annual meeting this week. Mr. Plummer stated that he felt that the Corporation would be able to resume preferred dividends before long, and that the Company was securing as much foreign business at present as it desired. No improvement in Canadian business was reported, the light demand that does exist being for a few lines of small products. As regards the future, Mr. Plummer stated that as the chief foreign buyers from the Corporation had been French and Belgian firms, after the cessation of hostilities firms in those countries would be more likely to purchase from the Corporation than from German firms who had been hitherto the Company's most formidable competitors in those markets.

EUROPE'S AMERICAN SECURITIES.

It is estimated that since the beginning of the war something like \$400,000,000 in American securities have been returned to the United States. There was published in New York this week the result of an investigation into this subject by Mr. Loree, president of the Delaware & Hudson Co. This railroad official found that the par value of stocks and bonds of 100 American railroads held abroad reached the total of \$2,500,000,000. The amount of industrial securities held in Europe is not, it is believed, more than \$500,000,000, making a total of \$3,000,000,000, in addition to municipal bonds and various small investments by European holders in American enterprises. How great a volume of these securities must finally be returned is the question that must be determined in a practical way. Nevertheless, there is no expectation in New York financial circles, that Europe will be entirely cleared or substantially cleared of American securities.