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R. WILSON-SMITH, Proprietor

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ELECTRIC LIGHTING REFERENDUM.

THERE is a remarkable unanimity of opinion about the impropriety of the present City Council in its dying hours asking the electors to sanction a by-law authorising it to borrow and spend \$2,000,000 for a municipal electric lighting plant. In view of the severe condemnation passed upon the Council by Judge Cannon, it is particularly unfortunate that such an issue should be submitted to the voters just now. There is at least a chance that the Referendum fixed for December 21st may be postponed or prohibited as the result of legal proceedings to be taken in the form of an application for an injunction. This would probably be the best solution of the question. The matter could not possibly be treated on its intrinsic merits under present conditions. Half of the electors would regard a vote for the by-law as a vote of confidence in the City Council.

A STORY is told of a British investor so infatuated with the vegetarian cult that he transferred his capital from Consols to Japanese and Chinese loans—because Orientals are less meat-eaters than Englishmen, and must, therefore, outlast a nation wedded to its flesh-pots.

While not many have sold Consols for this particular reason, the transference of capital from the standard British security to foreign loans has been notable. Of late the process has, perhaps, been augmented by political uncertainty—but it is to be borne in mind that the general decline in the price of Consols is a matter of some years past, not merely of a few months. Indeed, the past decade has been one of rapidly rising commodity prices—with but temporary halting after the crisis of 1907. This has meant that holders of British gilt-edge securities have found their fixed income decreasing in purchasing power. This had led to a shifting to public loans abroad, yielding a higher interest return—thus tending to lessen the price of Consols.

But Consols are not alone in being affected. In the placing of first-class Colonial loans on the British market, it has lately been necessary to allow the investor a higher yield than was demanded a few years ago. So, too, the forthcoming Panama Canal bonds to be issued by the United States Gov-

ernment are to be 3 per cent. not 2 per cent. securities—even the "artificial" demand from bond-based bank notes is not sufficient to make the old-style issue feasible.

From the foregoing, it is plain that Canada's having to pay at a higher rate for its public borrowings than a few years ago, is no evidence of declining credit. The circumstance is one common to practically all public issues of the first class.

The London correspondent of **THE CHRONICLE** is of the opinion that Canada is to be congratulated upon the success of its recent temporary borrowing. London's view as to Canada's credit may be judged from the fact that on announcement of the loan arrangement for two millions sterling, quotations rose noticeably for Dominion 3 1-2 per cent. stock. The Government is evidently postponing any issue of new stock, in anticipation of market conditions improving during the new year.

DOMINION BUDGET.

PERHAPS the Hon. W. S. Fielding is under the impression that there is enough budget trouble in the world just now. At any rate, there is nothing in his budget for this year calculated to produce any revolutionary excitement. He points with legitimate pride to the fact that this is his thirteenth budget, and to the further fact that he anticipates a surplus for the current year of \$16,500,000; and he views without alarm that there is an increase of \$45,969,000 in the net national debt, which, on March 31st amounted to \$323,930,000. The estimated revenue for the current year is \$97,500,000. The total expenditure on the National-Transcontinental Railway to date is \$85,000,000. The Finance Minister estimates the unit of taxation at \$45.85 per family on a present population of 7,450,000.

No important tariff changes are announced, and the cruel tariff war provided for by Congress is evidently postponed "sine die." It is not exactly a case of "one's afraid and the other dare not," but President Taft and the Hon. Mr. Fielding are both sensible men, and they are not rushing their respective countries into trouble simply to show that they have the power or the courage to do so. Upon the whole, the country will breathe more freely because the budget does nothing in particular, and does it very well.