

# The Chronicle

## Banking, Insurance and Finance

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### GENERAL FINANCIAL SITUATION.

(Continued from front page)

indebtedness of the System will, of course, likewise be taken over by the Government.

There will, doubtless, be ample discussion of the plan before it is finally passed. Leaving, however, details on one side, it may be said that the main point in the minds of the business community at present is as to the wisdom of this immense new addition to the national railway system. From the railway point of view, it may be argued with some cogency that the present deal is highly desirable in order to "round out" the national system, to which the Government fell heir as the result of a series of fortuitous circumstances, and which it must be confessed, is more conspicuous in the comparatively undeveloped portions of the Dominion, than in those of a reasonable traffic density. The Grand Trunk, running, as it does, through the most densely populated part of the Dominion, and with a large suburban traffic at both Montreal and Toronto, should compensate in this respect to some extent. When this, however, is conceded, there remains a general feeling of uneasiness regarding the effects of governmental operation of railways upon such a large scale as the new system will reach to.

One curious effect of the present premium upon New York's funds in Canada is that a good many wide-awake Canadian holders of bonds with interest payable at both the Canadian centres and in New York, are claiming the right to payment of interest at New York, and thereby securing the advantage of the premium on their interest. This can be done, we believe, in the case of the third Dominion War Loan (that issued in the early part of 1917), and it certainly applies to a great volume of the bonds of the provinces and municipalities issued during recent years. The principal and interest of these bonds were made payable in New York in order to secure absorption of these issues by United States bond buyers, but at the same time, a very fair proportion of those securities was taken by institutional and other investors in Canada, who, if they are wide-awake enough, can

now reap a considerable advantage in exchange when collecting their interest. The point was, of course, not foreseen when these issues were originally made, but it illustrates a point to the old adage, that "it's an ill-wind"—and shows that there are other folks in Canada besides the pulp and paper companies, with their heavy exports, to whom a depreciated New York exchange is not altogether a disadvantage. Incidentally, the borrowers must find a considerable addition to their interest obligations semi-annually through this development, as long as exchange continues at its present depreciated level.

The Chronicle may be pardoned for deriving a certain amount of satisfaction from the announcements which are now coming over the cables that British capitalists have under way large plans for capital investment in Canada, to be carried out as soon as conditions are propitious. The Chronicle has firmly held to the opinion and frequently expressed it, since 1914, that the close of hostilities would see a large influx of British capital into the Dominion. In this view, The Chronicle was going contrary to the opinions frankly expressed by some of those in high financial position in Canada, views expressed not merely during the actual years of war, but quite recently, and the course of events is now showing that The Chronicle was right, and that the pessimists were wrong. It is true that owing to the immense social and financial upheaval as a result of the prolonged character of the struggle, this movement is being delayed beyond what might have been reasonably expected. But the important fact is that the movement is now getting under way, and The Chronicle has reliable information of at least two sets of negotiations now actually in progress, but which may yet take some little time to come to formation, the result of which successfully carried through, will go to show that not merely is British capital available for investment in Canada in large amounts, but that leading British capitalists are prepared to take an even more active part in the development of Canadian resources than they did formerly.

### FIREMEN'S INSURANCE CO. OF NEWARK, N. J.

Messrs. M. J. Walsh and Son, Montreal, have been appointed Chief Agents for the Province of Quebec of the Firemen's Insurance Company, of Newark, N.J. The Company has been operating in Canada with a Dominion license since 1912 with head office in Winnipeg. At 31st December, 1918, the Company had a paid-up capital of \$1,250,000 in addition to a net surplus of nearly \$2,250,000. Its total assets amounted to \$8,530,979. Messrs. Walsh and Son are experienced insurance brokers, with considerable business connections.