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MUNICIPAL FINANCING.

In view of the uncertainties regarding the immediate future of the interest rate, and the prospective enormous demands upon capital for war purposes, both in the United States and Canada, the reported hardening of the interest rates payable by Canadian municipal borrowers was to be expected. In the case of the Ontario towns and lesser cities, whose debentures a short time ago were offered at 5.20 to 5.30 per cent., the present rate is 5.40 to 5.50. Some municipalities are reported as rejecting tenders on the new basis, apparently in the hope of securing better terms a little later on. If the municipalities really must raise money—and unless this is the case, they are not justified in trying to sell debentures at the present time—their action would seem to be very ill-advised. With a new War Loan scheduled for the early fall, it seems likely that for some time to come there will not be a great amount of funds available for other high-class Canadian investments. So high an authority in this matter as Mr. Bradshaw, Toronto's city treasurer, stated recently in fact that the Canadian bond-market is absolutely non-receptive, and accordingly urged that Toronto's capital expenditures should be absolutely restricted except under legal compulsion. Moreover, the uncertainties in the bond market in the United States induced by the enormous proportions of that country's war financing are a seriously adverse factor in the sale in that market of Canadian bonds, issued for other than war purposes, and American financial houses have ceased to consider new flotations on Canadian account. In such circumstances, with only a very limited amount of Canadian funds available to meet their demands, rigid economy on the part of the municipalities becomes more essential than ever. It is generally understood that bankers are strongly urging municipal authorities in this sense, with a view to the indefinite postponement of bond issues.

WESTERN SEEDING REPORTS.

According to reports made to the Winnipeg Free Press from numerous points in the prairie provinces, there is a decrease in wheat acreage seeded in Saskatchewan and possibly in Alberta, but in Manitoba prospects are for acreage being about the same as in 1916. With regard to coarse grains, indications are of a materially increased acreage. Conditions are much more encouraging than was deemed possible a short time ago, but emphasis is laid on the necessity of labor for harvest.

DOUBLING THE ENTENTE'S AVAILABLE WEALTH.

An example of the characteristically thorough-going way in which our neighbours are setting about their war tasks is seen in a "War Finance Primer," published by the National Bank of Commerce, New York, and containing most valuable articles and statistics regarding the financing of war and the financial position of the belligerent countries. A tabulation of the wealth of the Entente Allies shows graphically the enormous accession of financial strength brought about by the active adhesion of the United States to the cause of decency and civilisation. The wealth of the Entente Allies (excluding the British Dominions and India) before the entrance of the United States was estimated at 244 billions of dollars and their combined national income at 28.5 billions. Total borrowings are, to date, 46 billions or 61 per cent. above the annual income and represent a mortgage of 18.8 per cent. on their total wealth. The totals of the British Dominions and India, were they available, would, of course, add a very considerable amount to these figures. The present national income of the United States is estimated conservatively at 38 billions of dollars and its wealth at 220 billions. So that the resources of the Entente in dollars and cents have been practically doubled by the action of the United States, although to some extent the wealth of the United States was available before to the Allied countries—on terms. It is calculated that on the basis of the present borrowings of belligerent nations, the United States could borrow without difficulty, as a future mortgage on its wealth, to the extent of 40 billions and could then maintain its financial integrity equally as well as any of the most successful European belligerents.

RAILWAYS AND PUBLIC OWNERSHIP.

(Continued from front page.)

seem necessary to effect a revolution in order to remedy these difficulties. The old question of the London board is brought up again in the majority report, but surely that matter can be adjusted, without the Government taking over the road. Government ownership in order to secure the active control of the Grand Trunk in Canada suggests the Chinese procedure of house-burning to secure roast pig. On the whole, it appears that it is in Mr. Smith's suggestions of the re-organisation of private enterprise rather than in the majority report's revolutionary scheme of Dominion ownership that the country is likely to find the best way out of the present impasse.

The annual convention of the Life Underwriters Association of Canada is fixed to take place at Winnipeg, August 22nd to 24th inclusive. Headquarters will be at the Fort Garry Hotel.

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The Sterling Bank's report for the fiscal year ended April 30th last shows profits for the period of \$161,270, compared with \$145,290 in the preceding fiscal year and representing 10.6 per cent. upon the paid-up capital and rest. The 6 per cent. dividend absorbed \$72,582, \$60,000 was transferred to contingent account, and after making other allocations, the slightly increased balance of \$60,829 was carried forward, compared with \$52,735 twelve months ago.