

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, JUNE 18, 1915.

FINANCE OF THE WEEK.

Discussion regarding the next British war loan has been revived this week as a result of Mr. Asquith's statement in the House of Commons on a vote for another credit of \$1,250,000,000, making the total credits which have been thus far voted over \$4,000,000,000. However, it is stated on good authority that negotiations have not yet been started, and in any case the loan is not expected for several weeks. Probably the terms will be slightly raised from those of the previous loan, allowance having to be made for the fact that that loan is now quoted at round a point below its issue price. It seems likely also that special facilities will be given to enable small investors to participate in the loan. At the present time, according to London bankers, there is an enormous accumulation of money in that centre ready to take up the loan.

One curious feature about the London situation is that while bank deposits are abnormally high, very little investment business in securities is being done. Contributory causes of this condition of affairs are probably the increased cost of living, which is already exceedingly serious and apparently likely to go still higher, and heavier taxation—both these necessitating the maintenance of larger cash balances than normally—together with a disinclination to lock up funds in permanent forms of investment until the outlook regarding the trend of interest rates in the future is more clear than it is at present.

C. P. R.'s. DIVIDEND.

Locally some attention has been paid to the subject of the continuation of C. P. R.'s. dividend at the existing rate of 10 per cent. Apparently in some New York quarters, the opinion is held more or less confidently that the cutting of the dividend is inevitable owing to the heavy decreases in traffics. This opinion is by no means shared here. The position maintained here, as summarised by a correspondent, is as follows: "The 10 per cent. for the fiscal year ending June 30, 1915, has been earned, with a margin to spare. There will be no necessity to dip into the large surplus for the purpose of making up any deficiency in this fiscal year. As we understand it here, the dividend payable on October 1 will represent the final distribution to stockholders of net profits made in the fiscal year ending June 30, 1915. Consequently even if the earnings continued to show very heavy decreases, the question of dipping into the surplus

as a means of maintaining the present dividend would not come up until action was taken on the dividend payable January 1, 1916. Before it is necessary to decide that question, full information as to the results of the 1915 wheat crop in western Canada will be available, and the Canadian Pacific directors will likely have a fairly satisfactory knowledge as to how that crop will affect their earnings." Assuming there is reasonably good future, in the matter of weather, it is assumed by this authority that there will be perhaps heavy decreases in C. P. R.'s. earnings in the first two months of the new fiscal year, with a steady improvement in the remaining months until the end of 1915.

CROP PROSPECTS.

The information given out by the Census and statistics office at Ottawa regarding the condition of the crops as at the end of May is satisfactory. Wheat is estimated to occupy this year a total area of 12,896,000 acres, which is more by 2,602,100 acres or 25 per cent. than the area harvested in 1914. This is, of course, also the largest area ever sown to wheat in Canada. Oats are estimated to occupy a total area in Canada of 11,427,000 acres, an increase over last year's harvested area of 1,365,500 acres, or 13 per cent., barley 1,518,400 acres, as compared with 1,495,600 acres last year, rye 106,440 acres against 111,280 acres, peas 189,470 acres, compared with 205,950 acres, mixed grains 453,000 acres, against 463,300 acres, hay and clover 7,788,400 acres, against 7,997,000 acres and alfalfa 94,480 acres against 90,385 acres.

As regards condition, measured in percentage of a standard of 100 representing a full crop, all the grain crops were reported as showing a high average, the points being as follows: Fall wheat 94, spring wheat 96, oats and barley 92, rye 91, peas 93 and mixed grains 91. Hay and clover with 86, pastures and alfalfa with 87 are not so good, these crops having suffered from cold and frosty nights during May. Converting the points of standard condition for the principal grain crops into a scale of 100 representing the average of the past five years 1910-1914, the result—assuming conditions between now and harvest to be equal to the average—is an anticipated increase in the yield per acre of 15.6 p.c. for fall wheat, 2.6 p.c. for spring wheat, and 2.5 p.c. for rye. For oats and barley the indications are for yields slightly below the average, or to the extent of 1.5 p.c. for oats and 0.7 p.c. for barley.

THE C. N. R.'s. NATIONAL AUDIT.

We referred last week to the interesting information recently gathered by the Canadian Northern Railway as the result of a census of Canada's trade and industry. There was then only space to refer to the facts gathered in regard to the agricultural position and the story is now continued.

Lumbering and the wood-working industries generally appear to be in a poor position, and it appears to be the general belief that the domestic market cannot permanently improve until construction becomes general again in the principal centres. The export trade, however, appears to be standing the strain splendidly. A reaction in minerals also seems likely. The probability is that the value of the mineral production in Canada this year will not be as great as it was in 1914, when it totalled