

The Chronicle

Banking Insurance and Finance

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FINANCE OF THE WEEK.

Sentiment in financial circles has been favorably stimulated by the publication this week of the several banking statements. It is seen that the banks concerned occupy positions of remarkable strength and are well fitted to cope with any unfavorable development that may arise. But these positions have only been obtained by a considerable sacrifice of profits and it is felt in some quarters that the action of the banks in foregoing profits in order to safeguard the credit of the country is not even yet sufficiently appreciated. Had the banks conducted their business on the loose lines favored by some of those who have been wont to criticise them, the country might have been let in for a financial crisis compared with which what has been passed through during the past twelve months would have been child's play. There can be no doubt that the course of action which the banks have generally followed will appear in the light of financial history as wise statesmanship, justified by its results and eventuating in the general financial good of the Dominion.

FAVORABLE TRADE FIGURES.

Some satisfaction may also be derived from the preliminary figures of April trade which have just been issued. Exports of manufactures were valued at \$13,000,000 compared with \$4,000,000 in April, 1914; exports of animals and their products were \$3,312,000 against \$1,860,000 and total exports of merchandise \$28,691,000 against \$17,751,000 for the corresponding month of 1914. These figures reflect the current activity in war orders. One aspect of these war orders has been lately brought out, that they are helping the Dominion to pay debts abroad without further borrowing and that at a time when we are unable to borrow further to anything like the usual extent in order to pay our debts. In this way, the war orders are undoubtedly performing an exceedingly valuable service.

NEW ISSUE BY ONTARIO.

A variation on short-term borrowing is being

tried by the province of Ontario, which is issuing \$4,000,000 4½ per cent. bonds dated May 1st, 1915, and due May 1st, 1925. The issue has been purchased jointly by Messrs. A. E. Ames & Co. and Messrs. Wood, Gundy & Co., and while the issue was purchased primarily for re-sale in the United States, part is being offered in Canada at 98 and interest. Principal and interest are payable in Toronto or New York, and the issue is redeemable in whole, but not in part, at par and accrued interest at any time after May 1st, 1918. This is the first issue beyond short-term borrowing which has been made by the Ontario Government since the outbreak of war, and it will be interesting to see how it is taken up. It is stated that no further issues will be made by the provincial treasurer until after the close of the present fiscal year.

BORROWINGS IN LONDON.

The cable has stated this week that following two new issues in London which the Treasury committee permitted and which turned out to be fiascos, representations have been made from financial quarters with the idea of stiffening up the administration of the prohibition of new issues, so that no new ones of importance, except possibly imperative colonial borrowings, will be allowed until the next big borrowing operation by the British Government has been completed. Probably there are other reasons for these recommendations than merely the conservation of financial resources in view of the next war loan which may not be for some time yet—September is in fact indicated as the earliest likely date. The London financiers appreciate the desirability of waiting until there is a greater confidence among investors before making their new issues. It is probable that confidence has been to a certain extent disturbed by the "Lusitania" horror and by the carping criticism of those in authority which certain newspapers have lately seen fit to indulge in. The newspapers concerned have not improved their reputation thereby. Probably at no time has it been necessary to read the newspapers—on both sides of the Atlantic—with greater circumspection and even scepticism than the present.

SIR FREDERICK WILLIAMS-TAYLOR.

Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, has had conferred upon him by the University of New Brunswick, the honorary degree of Doctor of Laws. Honor has thus been done by his native province to one of the most distinguished of New Brunswick's sons.

A decision in a test case has been given by the Official Referee at Toronto that shareholders of the defunct Farmers Bank are liable under the double liability clause of the Bank Act.