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POSSIBILITIES OF A DOMINION LOAN.

There is much encouragement for Canada in the intimations from New York to the effect that British investors are expected to take some of the 6 per cent. bonds issued by New York City for the purpose of retiring the short date notes now falling due. Financial houses at the American centre report that they have had a fair number of inquiries from London as to the new bonds. As a rule the inquiries come from parties holding the notes which are maturing—so they represent a readiness to renew at the very attractive rate which has been fixed. It has been supposed that British and French holders of maturing bonds or notes of United States and Canadian corporations and public bodies would be almost unanimously disposed to demand cash. The experience of New York City shows that even in the case of foreign securities, British holders will consider renewals providing the rates of interest on the renewals are in harmony with existing money market conditions. This denotes that there is likely to be plenty of funds available in the United

Kingdom for financing the war expenditures and something left over for other purposes.

FACILITATING CANADIAN BUSINESS.

With Canada sending 50,000 troops to take part in the great struggle against German militarism, and large amounts of artillery, foodstuffs, etc., it is certain that the London market would be disposed to facilitate Canadian financing as much as possible. British holders would be even more disposed to grant renewals in case of their Canadian holdings than in the case of their foreign holdings; and after a little while it will probably be possible to float moderately large new Canadian loans at the Imperial capital. There would not be as yet, until the horizon is clearer, prospects of success in case of industrial or railway flotations, and perhaps there is no immediate chance of our provincial and municipal governments getting new money in England; but it seems as if a Dominion loan, proceeds of which were to be used for Imperial purposes, might soon be possible. It is to be remembered that the British government has just undertaken to lend \$35,000,000 to the Union of South Africa to cover expenses of operations against the Germans in that part of the world. That loan would be provided for through issues of British consols, or treasury bills, the direct obligations of the Home Government; in other words the London market advances the money in the first instance to the British Government and the British Government then lends it to the Union of South Africa.

POSSIBILITIES OF A LOAN.

It is scarcely to be expected that a loan to the Dominion Government would take that form. Probably the Home Government would not be at all involved—the Dominion might merely offer its own bonds at an attractive rate of interest. We may be sure that on the arrival of the Canadian army in England the men will get a most enthusiastic reception. The occasion will serve as ocular demonstration that the British and Canadian governments are expending their funds for identical purposes and that money lent to Canada effectually serves the Imperial purposes. Inasmuch as the British financial markets are steadily regaining their strength and composure it would not be strange if on the arrival of our army or shortly afterwards the Finance Minister offered a loan in London.

Money rates in Montreal and Toronto are practically unchanged. Call loans bear interest at 6 to 6½ p.c.; and commercial lines of credit are operated at 6 to 7 p.c.

EUROPEAN MONEY.

In London call money is quoted 1½ to 2 p.c., while discount rates on bills are 3 to 3 1-8 p.c. Bank of England rate is maintained at 5 p.c. The Bank of France quotes 5, and the German Reichsbank 6, as heretofore; and the private rate at Paris