

# The Chronicle

**Banking, Insurance and Finance**

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

R. WILSON-SMITH, Proprietor. ARTHUR H. ROWLAND, Editor.

Chief Office:

GUARDIAN BUILDING, 160 ST. JAMES STREET,  
MONTREAL.

Annual Subscription, \$3.00. Single Copy, 10 cents

MONTREAL, FRIDAY, AUGUST 22, 1913.

INDEX TO PRINCIPAL CONTENTS

	PAGE
Waste in Canadian Life Insurance.....	1165
Little Change in Money.....	1167
The Two Voices.....	1169
A Free Market for Municipal Securities.....	1171
Canada's Balance of Trade.....	1171
Sir Edward Walker Hopeful.....	1173
Banks' Loans in British Columbia.....	1173
Life Underwriters at Ottawa.....	1175
Investments of British Insurance Companies in Canada and elsewhere.....	1175
Insurance Education.....	1177
N. Y. Department Condemns Extravagant Commissions	1179
Publicity Campaign Abandoned.....	1179
Factors of Safety in Engineering and Insurance.....	1181
Faternal Insurance System of To-day.....	1183
Canadian Fire Record.....	1187
Bank and Traffic Returns.....	1188
Stock and Bond Lists.....	1189, 1191

## LITTLE CHANGE IN MONEY

In Canadian money market affairs the fourth payment on the C.P.R.'s stock issue on Monday was the dominating event of the week. Some \$15,000,000 or \$16,000,000 would be paid into the Bank of Montreal, London, for account of the big Canadian railway company. And, as the funds would not be wanted for bond redemption, as was the case with the proceeds of the third instalment, it is but reasonable to expect that a goodly portion would be transferred to Canada—thus having a beneficial influence through helping to correct the peculiar exchange situation that has been bothering the banks recently.

### LIQUIDATION IN SPECULATIVE ISSUES.

The Montreal and Toronto markets were affected to some extent by events transpiring outside the Dominion. A reactionary tendency was seen at the great international centres, partly on account of fears that the Mexican question would prove impossible of peaceful solution. Thus some liquidation ensued in Canadian speculative issues—the position of some holders having been weakened by the decline in

Crown Reserve and other mining stocks. However, the liquidation was not of such importance as to excite apprehension; it served, nevertheless, in a small way, to improve the standing of the banks as they enter the crop-moving season. Already some of the grain belonging to the 1913 crop has been seen in the market, but it will be a couple of weeks yet before deliveries are general. In some places the Western crop will be delayed a little by the showery weather experienced this week. If no general frosts are encountered for ten days or a fortnight, it is said that a large part of the crop will be assured of being harvested in good condition.

### LITTLE CHANGE IN THE MONEY MARKET.

Very little change has taken place in money market conditions. A few scattered instances of debenture issues by municipalities are reported, but in nearly all cases interest rates are high. Some calling of loans by banks in Toronto has been reported; but in general the pressure from the banks for repayment of brokers' loans is not excessive. Call loans are quoted 6 to 6½ per cent. and commercial lines of credits range from 6 to 7.

### EUROPEAN POSITION.

The money market in London is slightly harder. Call money is quoted 3 13-16 p.c.; short bills are 3¾ p.c.; and three months' bills 3¾ to 4 p.c. The rising tendency may be a reflection of the approaching harvest operations. Bank rate in London is held at 4½ p.c. Across the channel at Paris, bank rate is 4 p.c. and market rate 3¾; and at Berlin bank rate is 6, market rate, 5 p.c. European financial centres appeared to be more affected by the Mexican situation than were the American markets. Cables received early in the week stated that at London, Paris, and Berlin, there was considerable surprise at the equanimity with which New York had taken the matter. Although Europe has vast investments in Mexico, the overseas nations are not so much interested in the question of peace or war as is the United States. Perhaps one reason why the New York market has been so comparatively indifferent may be found in the fact that the people of the United States have very strong confidence that President Wilson will find a peaceful solution.

### NEW YORK DEVELOPMENTS.

The New York money market has been rather dull in the past week. Call loans range from 2 to 2¼ per cent., most of the business being at the higher level. Rates for time money were as follows: Sixty days, 3½ to 4 p.c.; ninety days, 4¾ to 5 p.c.; and six months, 5½ to 5¾. The Saturday statement revealed a small decrease of reserve strength as reported by the New York clearing house institutions. In the case of all members the loan expansion was \$401,000, the cash loss, \$1,600,000, and the decrease in the surplus about \$1,000,000. The banks alone