

# The Chronicle

**Banking, Insurance and Finance**

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## MILLING COMPANIES AND THE HARVEST.

Although there are reports of frosts in some districts in Western Canada, the week has been decidedly favorable for harvesting operations, and various well-known authorities have been coming forward with announcements that the crop of 1913 is the best crop for milling purposes produced in the West for a long series of years. It is confidently expected that an extraordinarily large proportion of the whole will grade No. 1 and No. 2 Northern. This means that the higher level of quoted prices will apply to nearly all of the wheat which the average farmer has to sell. There should be a larger measure of profit derived by the agriculturists. Also the position of the flour milling industry is strengthened when there is an ample supply of wheat eminently suitable for grinding purposes. So far as the millers are concerned, they have had the benefit of another favorable factor during the recent past. Owing to the shortage of supplies on both sides of the boundary, prices of mill feed have been rising considerably; and they now stand at a level which should conduce

importantly to good milling profits. It may be worth while to remember that high prices for mill feed constituted an important factor on one occasion a few years ago when the milling companies reported large profits.

### FEELING A LITTLE EASIER.

Money market conditions are about the same as last week. Possibly the feeling is a little easier—at any rate there are expectations that it will be easier to borrow on securities in the course of a few weeks. Call loans are 5½ to 6 p.c.; and commercial paper rates from 6 to 7. Apparently there is a prospect that a large City of Montreal loan amounting to \$10,000,000 or \$11,000,000 will be arranged shortly. Such a loan would help to ease the financial situation. It is to be hoped that other municipal and industrial loans can be arranged with London financial interests in the next month or two.

### EUROPEAN DEVELOPMENTS.

Competition from abroad was in evidence this week in the London gold market. The amount of metal available was \$4,000,000. Germany took \$3,000,000, and India the remainder. Bank of England rate was continued at 4½ p.c. The question of a reduction has been discussed in the city for some days. Call money is quoted 2¼ to 2½ p.c.; short bills are 3½ per cent.; three months' bills, 3⅝ to 3 11-16 per cent. Bank rate at Paris stands at 4 p.c.; and at Berlin, 6 p.c. Private rate at the French capital is 3¾ p.c.; and at the German centre, 5¼ to 5⅝. In London, traders have been largely occupied with the mid-monthly settlements. Taking the European markets generally, they have been quiet. Apparently the international centres are slowly moving towards easier money. The Mexican controversy has not proved to be a disconcerting feature this week—as there seems to be a growing impression that President Wilson will manage to conduct his negotiations or discussions with the Mexican Government in such manner as to avoid all appearance of war or unfriendliness. Although Wall Street interests in Mexico are enormous, the American market has not been nearly so sensitive in regard to the Mexican question as were London and Paris. Perhaps some of the fears which Europe experienced were of professional origin, comprising a part of bear campaigns in the stock market. On this side of the Atlantic there has not been at any time much apprehension of a Mexican war.

### NEW YORK POSITION.

In New York call loans are steady at 2¾ to 3 per cent.—the ruling rate being 2¾. Time loans have been in rather stronger demand. Sixty day loans, 4 to 4¼ p.c.; ninety days, 4½ to 5 p.c.; and six months, 5 to 5½ p.c. There were fears that when the bank statement was published it would show the surplus reserves to have been wiped out. But the figures