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RESTRICTED TRADING.

The arrangements for restricted trading on the Canadian stock markets went into force this week. Of the stocks in the general list, limited trading is permitted in nine issues, viz.: Canadian Pacific, Twin City, Mackay common, Mackay preferred, Duluth Superior, Duluth S. S. & A. common, Duluth S. S. & A. preferred, Detroit United, and Minneapolis, St. P. & S. S. M. common. All of these are common to the Canadian centres and New York, and transactions must be at prices prevailing at New York. There cannot well be much activity under the conditions imposed, and probably no great reliance can be placed on the quotations as representative of actual values, until absolutely free trading is resumed. It is said that there are signs of further activity on the London and New York stock exchanges. The special committee of the New York exchange has now given premission for trading in listed guaranteed stocks, of which there are some three dozen, at concessions from the July 30th quotations.

WAR POSITION.

The German successes in Belgium and Russian Poland have served to depress sentiment at London, New York, and at Montreal and Toronto. Unless the Russians are very badly defeated the danger of the Germans overwhelming the Franco-British forces

is not extreme. Man to man the French and British have proven their superiority to the Germans—the latter can only drive the allies back when they are two to one or three to one; and under present conditions they have not enough men in the Western theatre of war to enable them to outnumber their opponents to that extent. But if they succeed in demolishing great Russian armies, they would be in position to transfer large bodies of men from East to West.

FOREIGN EXCHANGE COMPLICATIONS.

The allies' reverses also served to further complicate the foreign exchange market in New York. Cables and sight drafts bounded upwards under the increased demand—the former to 4.97¾ and the latter to 4.97. This perhaps reflects increased disposition on the part of British financial interests to recall funds and to require payment of debts due by foreign and colonial markets. A little while ago it was thought that in the second half of October and thereafter till December the exports of American and Canadian wheat and other goods sold to Europe at high prices would more than offset the maturing obligations payable to England and France. It is understood that the British, French, and Russian Governments are buying huge amounts of war material in the United States; but notwithstanding these extraordinary purchases and the movement of wheat, some London experts say that there is no immediate prospect of a balance of international payments in favor of the United States.

THE GOLD POOL.

The famous \$100,000,000 gold pool formed by New York bankers is working more or less actively, and from time to time shipments of gold are made to Ottawa for account of the Bank of England; but critics on the other side of the Atlantic declare that our American friends are supporting their gold standard in rather a half hearted way and that if they would let it be known that they would use the large gold reserves in their country courageously for the settlement of their debts, exchange would soon be back near a normal basis.

NEW YORK FUNDS AT DISCOUNT.

We in Canada, also, are experiencing considerable inconvenience and loss as a result of New York's inability or disinclination to pay gold in settlement of debts. In Montreal, New York funds are persistently quoted at a heavy discount. All last week the quotations ranged from ½ to 1 p.c. discount; and this week the situation is no better. It is understood that our banks are sending considerable amounts of grain bills to New York for negotiation, and at the same time continuing to call their New York loans. It is almost impossible to convert these funds into gold for importation to Canada, hence the heavy discount on the funds.