

# The Chronicle

## Banking, Insurance and Finance

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## CANADIAN INTERESTS IN MEXICO.

During the last three or four days all Europe and America have been following with the closest interest the course of events in the Gulf of Mexico. However much President Wilson may desire to confine the operations of the United States forces to the seizure of Vera Cruz and Tampico, his ability to do so has been questioned from the beginning. Apparently the intention of the Washington Government is to hold these ports and blockade the Mexican coast on both sides with the expectation that the constitutionalists or rebels will be enabled to overturn Huerta in a very short time under those conditions.

However, there is a formidable body of opinion in the States which views with disgust any appearance of an alliance between their country and Villa's murderous followers. This sensibly weakens President Wilson's position; it is further weakened by the uncertainty as to whether the rebels and federals will unite to fight the Americans. It has always been said that invasion of their country would serve to make Mexicans of all classes cease their internecine strife to make common cause against a feared and

disliked foreign nation. In a couple of weeks we shall see whether these prophecies were soundly based or not.

### EFFECT ON CANADIAN INTERESTS.

There seems to be no reason for taking the latest developments in Mexico as calculated to be detrimental to the position of the various important Canadian concerns operating there. The state of affairs existing in the past two years or so has been decidedly bad for them—in fact things could not well be very much worse. There is the possibility, of course, that the Mexicans may destroy foreign property on a large scale; and perhaps some of the losses thus suffered will never be indemnified. But on the other hand it is reasonably certain that the Mexican people will be taxed to make good much of the losses experienced by foreigners in this way. As soon as settled conditions are restored, the representatives of the various powers would present their claims on the Mexican Government for losses through property destroyed. Our claims would be classed with the other British claims. Probably the London and Paris bankers would engage to float loans to enable the Mexican Government to meet these claims. The proceeds of the loans would go, of course, to the British, French and other property owners whose buildings or works had been destroyed—and Mexico would have to pay the interest.

### EFFECT ON SECURITIES.

In case of some of the Canadian Mexican enterprises, destruction of their property would perhaps involve losses for which full monetary compensation would not be forthcoming. Under the circumstances it is to be expected that the securities issued by these companies would pursue a rather erratic course in the markets.

### DISCONTENT AT CALL LOAN RATES.

There has been further manifestation of discontent among speculators in securities in regard to the rates of interest charged by the Montreal and Toronto brokers. It appears that customers have been charged 7 per cent. right along—or 1 per cent. above the nominal 6 p.c. obtaining on Canadian call loans. It is claimed that sometimes the customers carry C.P.R. or other international stocks on which the brokers can borrow money in New York at 4 p.c. and thus make a clear gain of 3 p.c. The official quotations for call loans in the home markets are 5½ to 6; but it is believed that very few, if any, of the new loans negotiated are at a rate higher than 5½.

### EUROPEAN POSITION.

Again this week there was strong competition for the Transvaal gold offered on the London market, in the course of which the price was advanced to 77s. 9½d. per ounce. India secured \$1,500,000, and the balance of the consignment went to Russia. Bank of England rate is held at 3 p.c. In the open market