

The Chronicle

Banking Insurance and Finance

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

Office:

406-408 LAKE OF THE WOODS BUILDING,
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AGRICULTURAL POSSIBILITIES.

A special interest attaches to the annual meeting of the Bank of Montreal this week in view of the wholly abnormal position of international finance and politics. Sir Frederick Williams-Taylor, in his address pointed out that the outstanding result of the war upon Canada has been the instantaneous stoppage of the supply of British capital. It can easily be understood that when we had habituated ourselves to a monthly influx of roundly \$25,000,000, the abrupt cessation of the incoming flow would cause us great inconvenience. Our affairs had to be entirely re-adjusted in various respects; and naturally it would take some little time to bring our financial machinery into conformity with the new set of conditions. Many industries and businesses which had derived large and steady profits directly or indirectly from the movement of British capital to Canada, have seen these profits disappear almost entirely, and other industries and businesses have experienced a heavy falling off in earnings. Now that we cannot depend on outside markets for the capital we need for development work, we are compelled to devote our energies to the work of increasing production to the utmost possible

extent. Fortunately the indications are that we shall be able to greatly extend the area seeded to wheat and other food stuffs in the coming spring. Some authorities have stated that there is a probability of an increase not far from 40 or 50 p.c. in the wheat acreage of the newer western provinces.

FACTORS AFFECTING INCREASE.

It is of course premature as yet to make estimates as to the amount of land that will be seeded to wheat next spring. The climatic conditions prevailing in April and May will have much to do with this question. If the weather is decidedly unfavorable our farmers may not be able to get in as much as they would wish; but the preparatory work of the past fall was carried on much more extensively than in preceding years. Some of the farmers, notably in Manitoba, are in excellent position for increasing their yield. We hear of numerous instances in which the farmers summer fallowed one-third or one-half of their available acreage last year, and a like amount in 1913. These men are therefore in position to put practically the whole of their land under wheat or some other profitable grain crop next year. There seems to be practically no doubt that the price of wheat will remain at a high level during the whole of 1915; and our financial institutions can, therefore, take into consideration the possibility of an extraordinarily large crop next year which could be sold at very profitable prices. Even if the yield does not exceed two hundred million bushels, the net return should be very satisfactory indeed; and as soon as the crop is in the ground it would have a tendency to improve business sentiment and to induce our bankers, merchants and manufacturers to enlarge their activities.

A STEADY IMPROVEMENT.

The financial situation in Montreal and Toronto continues to improve slowly and steadily. The downward trend of call loans and short date money in New York and London has had a tendency to make things slightly easier here; but as yet there is no reduction in the quoted rates of discount and interest. Call loans are 6 to 6½ p.c., and commercial paper rules at 6 to 7 p.c.

Call money at London is 1 p.c.; short bills are 2½ to 2¾ p.c.; and three months' bills, 2½ to 2¾ p.c. Bank of England rate is 5 p.c. The Bank of France and the Imperial Bank of Germany continue to quote 5 and 6 respectively. The signs of an extensive advance by the Allies on the western front have become more noticeable. The French and British forces are beginning to put strong pressure on the Germans in Flanders and France; and progress has been made already in the vicinity of Ypres. It is to be hoped that the German lines can be pushed back and without a too great sacrifice of lives.

NEW YORK MONEY.

Call money in New York has been easier owing to