

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

R. WILSON-SMITH, ARTHUR H. ROWLAND,

Proprietor.

Editor.

Chief Office:

GUARDIAN BUILDING, 160 ST. JAMES STREET,
MONTREAL.

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

MONTREAL, FRIDAY, JANUARY 24, 1913.

INDEX TO PRINCIPAL CONTENTS

	PAGE
Are Local Banks Wanted?	101
General Financial Situation	103
The Banks at the close of 1912	105
Bank of Nova Scotia.....	109
British Banks' Losses by Depreciation of Investments	109
Imperial Guarantee & Accident Insurance Company	109
National Life Assurance Company	111
The Insurance Journal	111
Mutual Life of Canada's New Home.....	113
Provincial Bank's Statement.....	113
The Dilemma of Assessmentism.....	115
Canadian Fire Record	119
Insurance Briefs	121
Market & Financial Paragraphs.....	121
Bank & Traffic Returns.....	130
Annual Statements:	
Bank of Nova Scotia	123
Imperial Guarantee & Accident	124
National Life.....	125
Provincial Bank	126

THE GENERAL FINANCIAL SITUATION.

The Bank of England again this week secured the greater part of the new gold offered in London. The shipments disposed of aggregated about \$3,000,000. The 5 p.c. official bank rate has been continued in force. Money and discounts are firm. In the open market at London call money is quoted 3½ to 4 p.c.; short bills are 4 11-16 to 4¾; and three months' bills, 4¾ p.c. At Paris the Bank of France quotes 4 and the market rate is 4⅞; while the Bank of Germany quotes 6 and the Berlin market rate is 4¾. All the continental countries are holding tenaciously to their gold as heretofore. A great fuss was raised in the French legislature over the action of the Credit Lyonnais in taking an Austrian loan which involved the shipment of some French gold to Austria. The action of the bank was characterized as improper or worse—the general idea being that it was little short of a crime to take the savings of the French people and place them at the disposal of a possible enemy. It is supposed that restrictive legislation will be enacted to meet this development; and no doubt the French banking institutions will be bound and

swathed by red tape to a greater extent than prevails at present. The wearisome negotiations and movements in the effort to avoid a resumption of the Balkan war are still in evidence. The inscrutable Turk has managed to keep the world in doubt for a very long time as to whether he intends to give in to the full demands of the allies or to make a last desperate effort to meet his enemies in the field. That uncertain matter seems now in a fair way to decision, but the negotiations are long drawn out.

* * * * *

In New York interest rates have weakened further. Call loans are now quoted at 2¾ p.c.; sixty day loans are 3½ p.c.; ninety days, 3¾ to 4 p.c.; and six months, 4 to 4¼ p.c. The banking institutions in the big American centre continue to report huge gains of cash and great expansion of loans. The accessions of cash, as shown in the Saturday statement (for all members of the clearing house) amounted to \$20,400,000. Expansion of loans amounted to \$32,900,000. This, with the loan expansion of the preceding week, makes up a total of \$93,400,000 in a fortnight. As explained in last week's article, the New York banks are utilizing the heavy accessions of cash to take back the loans recently shifted to outside institutions. The increase in surplus was about \$6,000,000—bringing the item up to \$21,104,300. In the case of the banks alone the cash gain was \$16,800,000 and the loan expansion, \$12,211,000. The increase of surplus was \$5,057,000.

* * * * *

This week Wall Street has permitted itself to enjoy a respite from the exceedingly gloomy sentiments in which it has been involved. The market has been nervously awaiting the Supreme Courts decision in the Minnesota rate case and the settlement of the Union Pacific-Southern Pacific controversy regarding the final disposition of Central Pacific. With reference to the last-mentioned matter there has been a widespread fear that serious injury would be inflicted on the Union Pacific stockholders as a result of the recent decision. Now that impression appears to be passing away. And if the market could but feel a little confidence that business would be reasonably free for a little while from legislative meddling, no doubt there would be greater activity both in speculative circles and in trade and industry.

The matter of the revision of the tariff is accepted as being merely a temporarily disturbing factor; but the continued insistence of politicians high in office upon governmental regulation of, and interference in all kinds of business operations, naturally has a very unsettling effect on capitalists and business men. Even president-elect Wilson has continued to make speeches such as were made during the heat of the late campaign; and one of the heavy movements of liquidation seen during the past three weeks is attributed in large measure to his utterances.