

# The Chronicle

## Banking, Insurance and Finance

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### NO BANKING COLLAPSE LIKELY.

Local holders of Brazilians, Mexicans, and home industrials appear to have been less gloomily disposed during the present week—if one might judge from the behavior of the stock markets. It is conceded that in Mexico the outlook is perhaps as discouraging as at any time in the last year or two; and in Brazil the financial situation is still far from settled, the low prices of rubber and coffee representing an extremely troublesome problem for the Brazilians. But on the other hand the extensive recent selling must be taken as discounting the present state of affairs; and unless things get decidedly worse, the market may be under no necessity of registering further deterioration of values.

#### THE RAILWAY SITUATION.

So far as Canadian stocks are concerned there has apparently been some anxiety or nervousness lest the troublesome railway situation should lead to important complications with the banks; but the nervousness is probably disappearing as the investing and speculating public realizes that the Government would use every effort to avert any disaster that

threatened, and also that the banking institutions are in strong position for meeting anything that developed.

#### NO BANKING COLLAPSE LIKELY.

The leisurely movement of gold to New York from Montreal is understood to represent accumulation of immediately available reserves abroad. The leading bankers have been fully aware of the course of events in the home railway field for some time; and they have undoubtedly prepared themselves for contingencies. Under the circumstances it does not appear that there is any serious danger of a banking collapse, no matter what may be done at Ottawa in regard to the railway applications.

#### FURTHER MUNICIPAL FINANCING.

This week saw the announcement of further financing by our municipalities in the London market. The City of Winnipeg is getting a loan of \$5,750,000. Arrangements are proceeding for the underwriting of 4½ per cent. registered stock at 98. Cables say that in view of the unpleasant atmosphere that has been created by the National Transcontinental and Canadian Northern affairs the terms secured by Winnipeg are regarded as being satisfactory. The street has been interested, too, in the reports that a large American shoe-manufacturing concern had offered to buy a large block of Ames-Holden common stock at \$28 and \$30 per share.

The local money market is practically unchanged from a week ago—the banks quoting 5½ to 6 p.c. on call loans and from 6 to 7 p.c. on commercial paper.

#### EUROPEAN MONETARY SITUATION.

Bank rate in London is held unchanged at 3 p.c. The Bank of France also retains in force its 3½ per cent. rate and the Imperial Bank of Germany adheres to the 4 p.c. quotation; but the Bank of the Netherlands this week reduced its rate from 4 to 3½ p.c. In the London market call money is 2½ to 2¾; short bills are 2 p.c.; three months' bills, 2 1-16 to 2½. In Paris discounts in the private market are quoted at 2 11-16; and at Berlin the private rate is 3¼.

#### HOME RULE AGITATION.

Naturally the developments in connection with Home Rule have attracted much attention in London and in the other European markets. While the movements of Sir Edward Carson and his followers on the one side and of the Imperial military authorities on the other looked serious enough, the stock exchanges have so far refused to get very much excited over the daily happenings—doubtless because of the firm conviction that the manoeuvring was largely for political effect. One can easily understand that if the financial interests expected civil war, the stock markets would reflect the circumstance in rather decisive manner. The comparative equanimity that has prevailed argues that the market has not believed that serious trouble would be encountered.