

# The Chronicle

## Banking, Insurance and Finance

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### CROP PROSPECTS.

It is stated that the Western wheat fields have been rather in need of rain, and that in some districts the crop has deteriorated slightly; but on the whole the condition is understood to be excellent. In various departments of Canadian industry and trade a quickening of the pulse has been noted recently—this doubtless being a result of the favorable agricultural outlook in the West. The great railway systems are already making their arrangements for handling expeditiously a large yield. They will have an ample supply of cars and motive power, and it will be possible to concentrate facilities at the various central points in much the same manner as was done a year ago.

### ALBERTA OIL FIELDS.

While the crops must necessarily be the main cause of business improvement, it is to be noted that the activity in oil financing at Calgary has also been operating to make things lively in that part of Alberta. This is abundantly shown by the clearing house statistics. For the month of June, while nearly all other clearing centres show decreases, Calgary, has a large increase. It is said

the new companies are being formed with such rapidity that organizers are finding difficulty in securing suitable names for them. One estimate places the total published capitalization of the companies now formed at \$125,000,000, and the amount of money actually involved in development work is said to be at least \$2,000,000. It is estimated that by the beginning of 1915 perhaps \$5,000,000 will be employed in the Albertan oil field. These figures of course are not large enough to materially affect the general Canadian monetary situation, although they have no doubt proved large enough to influence the local situation.

There has been very little change in the money market position at Montreal and Toronto. Such change as has occurred has been in the direction of greater ease; but as yet the quotations are not affected thereby. Call loans are  $5\frac{1}{2}$  to 6 p.c. as heretofore; and commercial paper rules at 6 to 7 p.c. as in the recent past.

### THE FRENCH LOAN.

In Europe the event of the week has been the French Government loan of \$161,000,000. This was brought out at the beginning of the week. The loan bears interest at  $3\frac{1}{2}$  p.c., and was very favorably received—early cables stating that the applications amounted to forty times the face of the loan. All of the European markets have been in some uncertainty as to the measure of success which this large transaction would attain. Now that it is out of the way a considerable amount of funds which had been held in readiness for participation will be released and one obstacle to the revival of confidence will be removed. The Bank of England directors at their Thursday meeting this week, made no change in the 3 per cent. rate. In the open market at London, call money is 1 to  $1\frac{1}{2}$  p.c. Short bills are 1 13-16 p.c.; three months bills, 1 15-16 to 2 p.c. The Bank of France quotes  $3\frac{1}{2}$  p.c., and the Imperial Bank of Germany 4 p.c. as in recent weeks. In the private market at Berlin discounts are 2 3-8 p.c., as against the quotation of  $2\frac{3}{4}$  p.c. prevailing in Paris. Sentiment is distinctly improved in Europe, and although the stock markets continue dull it is quite possible that they would be quick to reflect any change for the better in New York.

### NEW YORK SITUATION.

Call loans in New York ranged from  $2\frac{1}{2}$  to  $2\frac{3}{4}$  p.c.,  $2\frac{1}{2}$  being the ruling rate. Time money is firm; sixty days,  $2\frac{1}{2}$  p.c.; ninety days,  $2\frac{3}{4}$  p.c.; six months,  $3\frac{1}{4}$  to 4 p.c. Owing to the heavy coupon and dividend payments of July 1st the clearing house institutions at New York showed a very heavy loss of reserve strength. Theisha er loss amounted to \$27,100,000; loan reduction was \$1,900,000; and the decrease of surplus was \$20,607,000—bringing the item down from \$31,357,850