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

Office:

406-408 LAKE OF THE WOODS BUILDING,
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MUNICIPAL LOAN OUTLOOK.

Announcement was made this week that the City of Montreal has completed an arrangement with the Bank of Montreal whereby the latter is to advance \$6,000,000 to enable the city authorities to meet necessary expenditures and pressing obligations. Prior to the war outbreak, negotiations had been begun with New York financial interests for a city loan of over \$7,000,000, and it is understood that these negotiations had been nearly completed; but the breaking down of credit machinery the world over, of course, put an end to the plan of securing the funds in New York. Probably the pronouncement of President Wilson on the matter of neutrality would apply to municipal loans as well as to loans to the belligerent governments. So apart from the difficult financial situation this attitude of the United States Government constitutes a bar to our cities and towns borrowing in the neighboring country.

A BENEFIT TO THE ALLIES.

In one respect the decision of the American president to countenance no loans to belligerents is of

benefit to the allies—for Britain and France are immeasurably stronger than Germany and Austria in the domain of finance. It seems probable, too, that if the United States was to be an open field for belligerent loans, Germany and Austria could depend on getting substantial subscriptions from the German Americans, many of whom are wealthy. However, France's prompt action through Messrs. Morgan & Company served to draw the emphatic statement from Washington that loans to any of the fighting nations would not be approved. One wonders whether the French Government did not have this object in view when making the proposals.

LONDON AND MUNICIPAL LOANS.

London, too, can view the United States attitude as regards loans with equanimity. It seems clear enough that if the Canadian cities and large towns, the provinces and the Dominion Government were accommodated extensively in New York during the war, they would have formed more or less intimate connections with the United States' financial houses, and it might not be the easiest matter for London to re-capture the whole of this business on the conclusion of peace. Thus London's financial predominance is less open to attack from New York. It can scarcely be questioned that the high-souled attitude of President Wilson will result in depriving many of his enterprising countrymen of the opportunity to make excellent profits. The placing of large British and French war loans in New York, besides greatly increasing the prestige of that city, would spell prosperity for various American industries and big profits for many bankers, merchants and manufacturers. Probably there will be a great many of the President's compatriots who will go out vigorously after the profits to be made through supplying the military and other wants of Britain and France without looking at the question of neutrality from any very exalted plane—at least that is the general conception as to the probable attitude of the Americans.

NEW WHEAT ARRIVING.

Western reports state that the new wheat is beginning to make its appearance at Winnipeg in respectable volume. On Monday, for instance, the arrivals were 220 cars as against a merely nominal number on the same date in 1913. It is said that there is a marked disposition on the part of farmers in the United States to hold their grain for higher prices. No doubt a considerable number of our farmers, too, cherish the idea that the war will force prices up to a level much higher than that now in evidence; but there will be many of our farmers aware that the present prices are far higher than they two months ago dreamed of getting. At the end of June it certainly looked as if wheat prices in Canada would be dishearteningly low. Some feared that they would be so low as to prevent producers getting any profit. Owing to the war those fears