

# 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, NOVEMBER 15, 1912.

### INDEX TO PRINCIPAL CONTENTS

	PAGE
Prominent Topics .....	1649, 1651
General Financial Situation .....	1653
Canadian Bankers' Association .....	1655
Banks' Capitals and Rest Funds .....	1655
Home Bank to absorb Internationale.....	1657
Canadian Banking Expansion.....	1659
An Enquiry Necessary at Montreal.....	1659
Death of Mr. W. M. Ramsay.....	1659
An Example of Over-Taxation.....	1661
The Necessity of Fire Insurance.....	1663
Point St. Charles Fire.....	1663
Insurance against Insanity.....	1665
Mortality of American and Canadian Life Assurance Companies.....	1665
October's Fire Loss.....	1669
Insurance on Property of Guests.....	1671
Insurance Summary.....	1673
Market and Financial Summary .....	1675
Personal Paragraphs.....	1676
Varia.....	1676
Stock Exchange Notes, Bank and Traffic Returns....	1677
Stock and Bond Lists .....	1679, 1681

### THE GENERAL FINANCIAL SITUATION.

The Bank of England took the bulk of the \$3,750,000 new gold this week. The official rate of the big British bank is maintained at 5 p.c. In the London market call money is  $3\frac{1}{2}$  to  $3\frac{3}{4}$ ; short bills are 4 15-16 p.c.; and three months' bills, 4 15-16 p.c. Bank rate at Paris is 4 p.c.; and market rate, 3 13-16 p.c.; at Berlin the Reichsbank yesterday put up its rate to 6 p.c.

\* \* \*

In all of the European financial markets the current week has been characterized by nervousness over the settlement of the Balkan War. It is recognized that the critical period has been reached. The military operations of the allies have entirely out-footed the movements of the diplomatic bodies; the latter have had to adjust themselves to a new situation, and some of them are finding it a difficult matter to make the adjustment. However, the question is one calling for quick action.

\* \* \*

One of the most satisfactory developments, from the Canadian point of view, is the harmonious co-operation between Britain and Germany. Premier

Asquith's recent speech on the subject of the settlement, indicated that Britain is working in the most friendly manner with the other great powers to conclude an arrangement that will be durable and satisfactory to all the interested parties. And the German press, as well as German officialdom, have received the British premier's utterances with warm approval. It will not be strange if this episode of the Balkan War results ultimately in bringing these two great powers closer together. Such a development, if it occurs, should be heartily welcomed in the Dominion. In Western Ontario the German population comprises a most important part of several rich counties. The best interests of all are served through the cultivation of friendly respect.

\* \* \*

In New York call money is  $5\frac{3}{4}$  p.c.; sixty day loans are 6 p.c.; ninety days,  $5\frac{3}{4}$  per cent.; and six months,  $5\frac{1}{2}$  to  $5\frac{3}{4}$ . By means of heavy loan contraction, the clearing house institutions effected an increase of \$3,870,000 in excess cash reserves. The loans were reduced \$15,384,000; the cash decreased \$1,867,000; and the excess reserve rose from \$2,580,000 to \$6,450,000. The banks taken by themselves reduced their loans \$20,487,000, and lost \$5,082,000 cash. As a result their surplus increased \$2,672,000.

\* \* \*

Conditions in the European markets and the general uncertainty caused by the war, have had a tendency to unsettle the Wall Street market for securities. Liquidation of stocks has been in evidence for some weeks. The work of moving the big crops of 1912 has called for the employment of a vast amount of funds. It is quite clear that if Wall Street stocks had shown a rising tendency more liquidation from Europe would have been invited, and acute stringency might have been in evidence. Wall Street has followed a wise policy in keeping security prices down.

\* \* \*

There is considerable discussion regarding the effects that are to follow the Democratic victory. Whether or not there will be an extra session to act upon the revision of the tariff, has not yet been decided. It has been commonly supposed that with the election of Mr. Wilson and the securing of control of the senate by the Democrats, tariff reduction could be effected without further difficulty. Now, however, it is becoming clear that the way will not be smooth and easy. The interests which have benefited in the past from the high protection policy of the United States are powerful. Some of the Democrats favor high duties. So Canadian exporters will not as yet be able to count too confidently upon having free access to the American markets.

\* \* \*

Money market conditions in the Dominion have changed but little during the week. Call loans are 6 p.c., and rates of discount applying to mercantile