

# The Chronicle

## Banking Insurance and Finance

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

Office:

406-408 LAKE OF THE WOODS BUILDING,  
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### A BRIGHTER ATMOSPHERE.

The naval victory in the North Sea has served this week to brighten the atmosphere in financial circles on this side of the Atlantic. While it would not be wise to place upon this occurrence too much significance we may nevertheless take it as signifying that the Germans will hesitate before undertaking fresh naval enterprises against the British coast towns. Apparently the German losses were very severe indeed. In addition to the Blucher, which was sunk, and a light cruiser reported sunk, at least two more of the battle-cruisers were severely damaged; and it will be some time before they are able to again take their place in the battle line. When the war broke out, the New York Evening Post, commenting on the unwisdom of Germany's action in violating Belgium's neutrality, mentioned that England, once involved in the war, would never make peace until German seapower was forever destroyed. The North Sea battle on Sunday, following the encounter off the Falkland Islands a little while ago, represents an important step towards the achievement of the British aims. Necessarily all the allied forces, on the eastern and western fronts, will be heartened and encouraged by the fresh blow which Germany has received; and unless the Germans can counter through winning some substantial advantages on land, one might presume that the inclination of Roumania and Italy to enter the struggle will be sensibly strengthened.

### SIGNIFICANT BORROWINGS.

With reference to Roumania it is stated that arrangements have been completed with the Bank of England for a \$25,000,000 loan. This item of news speaks eloquently as to the probable course of action of this important Balkan state. Another news item of the day is to the effect that representatives of the great allied powers are meeting in Paris to arrange for co-operative action in regard to financing the war. It is as yet not exactly clear what measures will be adopted for this purpose; but undoubtedly there will be something done in the way of supporting the securities and loans of the allied nations which are not in the strongest class financially, with the credit of the leading countries on the allied side. Thus England and France may be expected to lend their credit to a certain extent for the purpose of facilitating loans to Russia, Japan, Belgium, Servia, Roumania, so as to keep alive and vigorous the resistance which those countries are offering to the Teutonic powers. In this connection one may easily imagine that at the present time Turkey and Austria are making urgent requests at Berlin for gold as well as war supplies. If Germany accedes to these requests from her allies she must necessarily exhaust more quickly her own resources; and if she fails to give the support that is expected, the inevitable result will be that her allies will slacken or decrease their efforts in the common cause. This indicates clearly enough how the weight of financial power is telling against the would-be world-conquerors.

### UNITED STATES' ATTITUDE.

So far as the attitude of the United States is concerned, although the "Dacia" and "Wilhelmina" cases appear to point to serious complications with Britain, it is not likely that the Washington Government will press its claims to the danger point. The weight of public opinion in the big republic is too solidly against Germany; and even if it were not the dangers involved in a collision between the Americans and the combined navies of England, France and Japan are very great indeed. The United States is now making enormous profits through supplying war materials, etc., to the Allies, and there is every reason to believe that they will do nothing to hazard this lucrative trade.

### A HOPEFUL FEELING.

Business conditions in Canada are about the same. Hopefulness as to the near future has begun to revive; and when spring opens probably there will be marked improvement in various directions. Not much change has occurred in the money markets. Call loans in Montreal and Toronto are 6 to 6½ p.c., and commercial discounts are 6 to 7 p.c.

### MONEY MARKETS ABROAD.

Money continues very cheap indeed in the London markets. Call money is 1 p.c.; short bills are 1 1-5 to 1 ¼ p.c.; and three months' bills, 1 ¼ to 1 13-16. Bank of England rate is, however, held at 5 p.c., and