

# The Chronicle

## Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

R. WILSON-SMITH,  
Proprietor.

ARTHUR H. ROWLAND,  
Editor.

Chief Office:

GUARDIAN BUILDING, 160 ST. JAMES STREET,  
MONTREAL.

Annual Subscription, \$3.00. Single Copy, 10 cents

MONTREAL, FRIDAY, MARCH 14, 1913.

INDEX TO PRINCIPAL CONTENTS

	PAGE
Co-Operative Land Banking.....	353
General Financial Situation.....	355
Distribution of Canada's Banking Facilities.....	357
Life Companies' Investments: A British Actuary's Views.....	259
Proof of Age in Life Insurance.....	359
Western Assurance Company.....	361
Suggested Insurance Act in Saskatchewan.....	361
Workmen's Compensation in Ontario.....	363
Dominion Life Insurance Company.....	365
The Case against State Insurance.....	365
The Lighter Side of a well known Actuary.....	369
Legal Decisions.....	371
Insurance Briefs.....	373
Personal Paragraphs.....	375
Canadian Fire Record.....	375
February Fire Loss.....	377
Market & Financial Paragraphs.....	379
Bank & Traffic Returns.....	382
Stock and Bond Lists.....	383-385
<hr/>	
Annual Statements:	
Western Assurance.....	38c
Dominion Life.....	381

THE GENERAL FINANCIAL SITUATION.

The acute financial stringency at Berlin caused Germany to appear as a bidder for London's new gold this week. The amount offered was \$4,250,000, and most of it went to Germany. Bank rate in London is unchanged at 5 per cent. In the market call money is 4½ to 4¾; short bills are 5 to 5½; and three months' bills, 4¾ to 4 15-16. At Paris bank rate is 4 and private rate 4. At Berlin bank rate is 6 and private rate 5¾. These quotations represent advances on last week's figures in the cases of London and Berlin. The rise in London, however, may be taken as a reflection of the conditions in Berlin. At the German capital confidence was slowly but steadily reviving, as a result of the approaching close of the war in the Near East, when the Kaiser came forward with his startling announcement of a special levy of \$250,000,000 to strengthen the army. This "Imperial foolishness," as the New York papers

style it, occurred just as some very important Government loans were being launched at Berlin. Of course the loans failed—only a comparatively small proportion being taken by the public. Also Berlin commenced to sell Canadian Pacific and American stocks and to enquire for gold in London and New York. Hence the tendency towards hardness in money at those centres.

\* \* \* \*

There is no denying the fact that the rise of the Balkan States constitutes a new and first class peril for Germany. When the racial connection between the Balkan peoples and Russia is considered, Germany appears to be placed squarely in front of the great Slav tide which presses on Europe. Perhaps in the course of a few years her position in this regard will appeal quite strongly to the British people. After all, Great Britain has more in common with Germany than with Russia. And a considerable number of Britons have always been restive under the Russian alliance. Considering all these things, it does not now appear so highly improbable that Britain and Germany should become much more friendly in a few years. However, these considerations are of the future. In the meantime the Kaiser's sudden proposal that his people should surrender to the state for military purposes the one-twentieth part of their fortunes or property has upset the whole German nation and the rest of Europe as well.

\* \* \* \*

In New York call loans are 5 p.c.; sixty day loans, 6 per cent.; ninety days, 6 per cent. and six months, 5¾ to 6. The weekly exhibit of New York banks and trust companies was not as bad as expected. It has been anticipated that the gold outflow would result in seriously cutting down the surplus reserves. The statement showed in the case of all members, loan contraction of \$23,510,000 and a cash loss of \$4,370,000. As a result, the surplus reserve rose \$684,000—to \$3,374,250. In case of the banks alone the loan contraction was but \$7,855,000 while the cash loss was \$5,640,000. Consequently the surplus declined \$1,841,000, and stands at \$2,348,750. There is indicated in this statement a movement on the part of the banks to transfer loans to trust companies and other institutions. The New York money market has been affected this week by bids from German banks for loans. Representatives of the Berlin great banks openly bid 6½ per cent. for loans; and it is suspected that they in fact paid higher rates. Dispatches from the American centre state that the New York bankers were not very eager to supply money on those terms, as they considered it probable that the Berlin situation would develop in such manner as to force the German banks to offer higher rates.

\* \* \* \*

Further liquidation has been seen in the Wall