

The Chronicle

Banking, Insurance and Finance

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R. WILSON-SMITH, Proprietor. ARTHUR H. ROWLAND, Editor.

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THE GENERAL FINANCIAL SITUATION.

The international money markets have worn their holiday aspect during the week. Great bankers and financiers are accustomed, like other folks, to throw the cares of business behind them in the Christmas season; and while they are holidaying there is apt to be a certain amount of dullness in the markets. Bank of England rate remains at 4½ p.c. In the open market at London the supply of funds has been none too plentiful. Call money is 3¾ to 4 per cent.; short bills, 3½ per cent.; three months' bills, 3½ to 3 9-16 per cent.

Continental money rates are practically unchanged. The official discount rate of the Bank of

THE CHRONICLE TO OPEN A LONDON OFFICE

The Chronicle has pleasure in announcing that arrangements are now being made for an office of this journal in London, England. This office will be located at 19 Ludgate Hill, E.C., and will be available for the receipt of advertisements and subscriptions, the purchase of single copies, the receipt of any matter for transmission to the chief office in Montreal, and the consultation of The Chronicle's files.

The great and increasing interest taken by British bankers, insurance companies, investors, capitalists and others in the affairs and development of Canada, has made this step desirable. For thirty years, The Chronicle, by careful, discriminating comment and where necessary, by criticism, has consistently endeavoured to make itself of service to its subscribers in Great Britain, and there is evidence that its efforts in this direction are not without appreciation. The Chronicle has every confidence that the new facilities now provided will be widely and tangibly approved.

France remains at 3 p.c. and at the Bank of Germany, 5 p.c. Open market at Paris is 2¾, and at 4½.

In New York call money is 3½ p. c. Time money has been quiet. Sixty days, ninety days, and six months, 3¾ per cent. to 4 per cent. The Saturday statement of the New York clearing house banks showed a loan expansion of \$6,200,000, a cash gain of \$2,900,000 and a resultant increase of \$550,000 in surplus. The surplus now amounts to \$9,805,725. Trust companies and non-member state banks reported a further fall in their proportion of reserve to liability—from 17.2 p.c. to 17.1 p.c. It occurred mainly as a result of a cash loss of nearly \$900,000 and a loan expansion of \$420,000.

Evidences of business relaxation in the United States are increasing, especially in connection with the iron and steel trade. From various parts of the country comes news of plants closing down for longer or shorter periods and of workmen thrown out of employment. The United States Steel Corporation has a large part of its capacity idle and the number of its employees is fully 40 p.c. less than at the busiest season in 1910. It is now taken for granted that iron and steel prices will have to be reduced. Relaxation or depression in this basic industry is apt to have a considerable influence upon other industries. There is no doubt that the consolidation of the various industries has had something to do in preventing the application of the customary and natural remedies for a situation like that presently prevailing. The consolidations dislike cutting prices. So they maintain oppressive quotations in force long after they