The Chronicle

Banking, Insurance and Finance

Established 1881. Published Every Friday.

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Chief Office:

Guardian Building, 160 St. James Street, Montreal.

Annual Subscription, $3.00. Single Copy, 10 cents

MONTREAL, FRIDAY, APRIL 19, 1912.

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THE GENERAL FINANCIAL SITUATION.

Again this week the greater part of the $3,500,000 new gold arriving in London passed into the possession of the Bank of England. The big English central bank maintains its official discount rate at 3½ per cent. Rates for money and discounts in the London market are not materially changed. Call money is 3 to 3¼; short bills are 3⅜ to 3 7-16; and three months' bills, 3½. At Paris and Berlin discounts are slightly easier—the market in the first named centre being 3⅛ while the rate at the German capital is 3⅝. Bank of France rate is held at 3½ per cent.; and that of the Imperial German institution at 5 p.c.

The expectations of an immediate further rise in interest at New York were not fulfilled. On the contrary a recession was seen. Call loans are 3 p.c.; sixty day loans, 3¼ to 3½; ninety days, 3½ p.c.; six months, 3¾ per cent. Clearing house institutions in New York effected a very large addition to their reserve strength in the week just passed. According to the Saturday statement all members of the clearing house reduced loans to the extent of $26,376,000 and increased their cash holdings to the extent of $7,900,000. The excess cash reserve was thus increased by $13,000,000 and stands at $14,977,000. In the case of the banks alone the increase of surplus was not so large. Their loan contraction amounted to $22,755,000 while their gain in cash was $4,049,000—the increase of surplus being $8,565,000.

The financial and speculative markets have been dominated this week by the disaster to the Titanic. The appalling loss of life spread gloom and depression in both Wall Street and Capel Court. Especially when the extent of the disaster became known, a disinclination to trade on the exchanges was manifested. Bulls and bears alike felt that it was seemly and proper to suspend active operations for a couple of days in the face of this great catastrophe; and the circumstance has necessarily relieved the money market to a certain extent.

Great as is the financial loss it is not to be expected that the money markets will be materially affected. So far as the loss of the ship and cargo is concerned, that falls upon Lloyds' underwriters, the insurance companies and the International Mercantile Marine Company. The common stock of the Marine Company was already at a level so low that it could not drop much further. It is said that marine underwriters were already this week selling securities in London in preparation for paying their losses. The very large loss of personal property belonging to the victims of the disaster would not have any immediate effect on the general monetary situation on either side of the Atlantic. So the effect upon the money and stock markets would be largely sentimental.

In Canada the money market is not much changed. Call loans in the two principal centres are quoted at 5 to 5½ per cent., and mercantile discounts at from 5½ p.c. upwards as heretofore. The bank stocks have been in demand on the market; in some cases quotations have risen notably. Naturally the rumors of amalgamations have been revived. Various banks are involved according to rumor—the Union, Toronto, Traders and others. There is still a strong disposition to credit the Bank of Montreal with the intention or purpose of absorbing some other bank. However, the investment public will be well advised to accept these rumors with great caution. All of the banks currently spoken of as being about to enter a merger with the Bank of Montreal or some other big institution are progressive and apparently prosperous. They would not likely be disposed to forego their aspirations of becoming very large banks, while remaining independent, unless their shareholders were offered a very attractive price. It would seem that to purchase one of the prosperous and well established Canadian banks, a large bank would have to offer a price many points above the current market quotations relating to small lots of stock. And, then, if 50 points or so above current quotations must be paid, the intending purchaser has to consider very carefully the ques-