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, JULY 12, 1912.

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THE GENERAL FINANCIAL SITUATION.

The Bank of England again secured the bulk of the new gold arrivals, which this week amounted to about $3,600,000. Bank rate is unchanged at 3 p.c. In the London market money is quoted 2 to 2¼; short bills are 2¾; and three months bills, 2 13-16 to 2⅞. Consols have again been depressed and some complaints have been made to the effect that the promised expenditure of the huge Exchequer balances in the bank for purchase of Consols, has not as yet been energetically pushed.

The Bank of France quotes 3 p.c. and the German Reichsbank 4½ per cent. as heretofore. In the Paris market discounts are 2 13-16—a shade lower than last week's quotation—and discounts at Berlin are 3⅛ which figure represents a further easing at that hitherto strained market. In New York money market conditions assumed a harder aspect. Call loans are 3 per cent. Sixty day loans are 3 to 3¼; ninety days, 3¼ to 3½; and six months 4 p.c. The Saturday statement of clearing house institutions had some sensational features. In the case of all members loans increased $11,317,000, cash decreased $24,150,000, net deposits decreased nearly $26,000,000, and the excess cash reserve of $12,545,850 was converted into a deficit of $5,413,200—the loss in reserve strength, therefore, being nearly $18,000,000. The banks taken by themselves made an even worse showing. In their case the loss of cash amounted to $28,000,000 while the loans increased $4,170,000. Their surplus of $13,417,500 was converted into a deficit of $7,-775,750. It is said that large payments into the New York sub-treasury were in part responsible for the huge loss of cash. Also, of course, there has been quite an important export movement to Paris and to Canada; and the dividend and coupon payments would help to make the situation temporarily worse. Quite naturally the wiping out of the bank surplus has caused some selling of Wall Street stocks. It is probable that the market has not yet definitely made up its mind as to the real significance of the nominations made by the two great political parties in the United States, and as to the effects which the coming election will have on security prices. There are several points which apparently favor the bearish elements; while others appear to favor the bulls. Which will prove to be the dominating considerations is a question yet to be decided. Perhaps before the day of the election the market will have disclosed its definite trend. English newspapers, like the press on this side of the Atlantic, are apprehending a substantial reduction in the American tariff. They say that some industrial stocks will probably be injured but the American railways should be benefitted notably by any important or general scaling down of the tariff. Quite probably some of the American industries also will derive benefit if changes in the United States tariff enable them to bring in free of duty raw materials which are now heavily taxed.

In Canada money rates are on the same level as a week ago. Call loans in Montreal and Toronto are 5 p.c. Several of the prominent Canadian financiers returning from England brought with them rather gloomy opinions of the London market for our securities. They agree that London is temporarily overstocked with Canadian debentures, bonds, etc. One authority said he had been informed that the debentures of many of the smaller Canadian municipalities were selling slowly and that probably the British finance houses would hesitate to take large lines of these securities in the near future unless at prices yielding better returns than those hitherto prevailing. It is quite clear that the numerous public ownership schemes upon which many of the Western municipalities are embarking, have served to greatly increase their borrowings. When the large cities undertake great power, lightning, transportation, etc., schemes they are forced into the money market for loans mounting up into the millions. And some of the