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.

London, England, Branch Office:
19 LUDGATE HILL, E.C.

Annual Subscription, $2.00. Single Copy, 10 cents

MONTREAL, FRIDAY, JUNE 9, 1911.

INDEX TO PRINCIPAL CONTENTS

	PAGE
Prominent Topics	819, 821
General Financial Situation	823
Publicity Regarding Mergers	825
Fire Insurance Premiums in Montreal, 1910	827
British Banks in 1910	827
Liverpool & London & Globe Insurance Company	831
Life Companies & Sanitation	833
Notes on Business :—	
Sovereign Bank	835
Industrial Accidents in April	835
Canadian Issues in London	835
Birkbeck Bank	835
Affairs in London (Exclusive Correspondence)	837
From Western Fields	837
Market Paragraphs	846
Canadian Fire Record	845
Stock Exchange Notes	847
Stock and Bond Lists	849, 851
Annual Statement :—	
Liverpool & London & Globe	844

THE GENERAL FINANCIAL SITUATION.

Of the Cape gold arriving in London at the beginning of the week—$3,750,000—the bulk was taken by the Bank of England. There has also been a considerable movement of gold from Paris to London. Financial authorities in Paris explained that London is re-discounting at the Bank of France and transferring the proceeds to England. But, as the New York Evening Post points out, it would be a strange proceeding for English banks to go to the Bank of France and discount bills at 3 p.c. when they could be disposed of in London at a full 1 per cent. lower. The Post considers that a more likely explanation would be that the proceeds of security issues by American corporations in Paris were passing to America via the British capital. That would explain the high rates for French drafts on London in a period in which London is the cheaper market. It is well understood in this country that the proceeds of borrowings in London by our own corporations commonly find their way to Canada via New York. The exchange facilities between London and New York are better than those between London and Montreal—one principal reason being that a vastly larger direct business is transacted by the two cities first named. And for the same reason the exchange facilities between Paris and London are better than between Paris and New York.

Bank of England rate was left unchanged at 3 p.c. In the London market money and discount rates were notably easier, probably owing to the accessions of gold from abroad. Call money is quoted 1 to 1¼; short bills 2 1-16, and three months' bills, 2 to 2 1-16. At Paris market rates are the same as a week ago, viz., 2⅛ p.c., while at Berlin they have risen to 3⅛ p.c. Bank of France official rate is maintained at 3 p.c., and that of the Bank of Germany at 4.

At New York also the monetary situation is unchanged and dull. Call loans 2⅜; sixty days, 2½ to 2¾; ninety days, 2¾ to 2⅞; six months 3¼ to 3½. The clearing house banks again underwent a loss of surplus—the result of a heavy loan expansion and cash loss. Loans increased $12,600,000, cash decreased $6,300,000, and the surplus is less by $8,000,000. The surplus now stands at $36,013,225. The trust companies and nonmember state banks decreased loans by $4,500,000 and their cash fell $380,000. Their proportion of reserve to liability rose from 17.8 p.c. to 17.9 p.c. This perhaps reflects preparations made by the trust companies for entering the clearing house. It is understood that a number of them will be admitted on June 12th. The weekly review of conditions prevailing in the crop regions, issued by the Washington authorities, contains a paragraph which is of much interest to Canada. It reads as follows: "In the spring-wheat-growing states weather was exceptionally favorable. Sunshine was abundant, temperatures were moderate, and the rainfall general over nearly all portions of the region." As this pertains to Minnesota and the Dakotas it applies also to our own Western provinces. The Western Canadian wheat area is this year placed at 10,000,000 acres and it is upon an average yield of 20 bushels to the acre that the recent estimates of 200,000,000 bushels are based.

On the whole, weather conditions in the other parts of the States were favorable. Cotton manufacturing interests and the general financial public on both sides of the boundary are watching the progress of this year's cotton crop very closely. As