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

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THE GENERAL FINANCIAL SITUATION.

The new gold arriving in London on Monday amounting to about $5,000,000—passed into the possession of the Bank of England. No change was made in the official rate of the big British banking institution; the 4 p.c. rate presently prevailing apparently answers immediate purposes. In the London market call money is 3½ to 3¾; short bills, 3½; three months' bills, 3 7-16 to 3½. Open market rate at Paris is fractionally lower—at 3⅛; and at Berlin discounts in the market are 3¼ p.c. The Bank of France and the Imperial Bank of Germany adhere to the official rates hitherto quoted by them —3½ and 5 p.c. respectively. It is probable that political and social questions will continue to have a somewhat disturbing effect upon European finance. The war between Italy and Turkey drags along. The mere effort to keep her large army in Tripoli, and to supply it with munitions and provisions is proving a considerable financial burden for Italy to carry. So doubtless the Italian statesmen will be ready to discuss a settlement when the Turks bring themselves to the same frame of mind. The Irish Home Rule Bill is causing sharp divisions of opinion in the United Kingdom; and apparently there is a strong sentiment, in and out of Parliament, against the Government's Persian policy. No doubt these political matters have played a part in strengthening the tone of the London money market.

In New York, on the other hand, the trend of interest is downwards. Call loans are 2⅛ p.c.; sixty day loans, 2½ to 2¾; ninety days, 2¾ to 3 p.c.; six months, 3 to 3¼. The clearing house institutions at the American metropolis again reported a heavy gain in surplus reserves. The banks and trust companies combined expanded their loans $23,600,000; but the increase of $11,000,000 in their cash holdings served to increase their excess cash reserve by $6,688,350, bringing the total up to $48,763,050. The banks taken by themselves reported loan expansion of $6,600,000 and cash gain of $7,600,000. Their surplus reserve increased $4,105,000 and stands at $45,471,000. The indications are that the New York banks have increased their advances to Europe during the week. Subscriptions were invited in New York for the new German Imperial and Prussian railway loan. The New York Journal of Commerce says it is the opinion of competent experts that the American subscriptions will not exceed $4,000,000. Although sterling exchange has been ruling firm, it is not likely that extensive purchases of exchange will be necessary to cover these subscriptions. Some of the loans previously made to the Berlin banks are now maturing; and the repayments serve to provide funds in Berlin or London at the disposal of the American bankers.

The money market in New York has been softened, to a certain extent, by the outburst of liquidation said to have been occasioned by the action of the directors of the Chicago, Milwaukee and St. Paul Railway in reducing their dividend from 7 to 5 p.c. The move occasioned fears of other dividend reductions among a number of railway stockholders. General business conditions in the United States are far from satisfactory. Some of the railway managers declare that they can see nothing but depression in the immediate future. The large accumulation of idle cash in the hands of the New York banks is pointed to as evidence that the commercial and industrial interests are unable to find satisfactory employment for their funds in the ordinary business channels. On the other hand the accumulation of cash resources in the centres is sometimes taken advantage of by the speculative cliques to inaugurate bull movements in stocks. They inaugurate such movements sometimes when business conditions are not exactly favorable.

No notable changes have occurred in the principal