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INDEX TO PRINCIPAL CONTENTS

	PAGE
Prominent Topics	1575, 1577
General Financial Situation	1579
Lloyds Bank	1581
Grand Trunk's Report	1581
Gresham Life Assurance Society	1583
The Outlook in London for Canadian Issues	1583
The Moral Hazard and Fire Waste	1585
The Union of Paris	1585
Mr. Bradshaw's Notes on the Insurance Act	1587
Recent Provincial Acts affecting Fire Insurance	1587
The Position of British Banks	1589
Population of Canada: Census Statistics	1591
Lloyds, London & Non-Marine Business	1593
Insurance in the United States (Exclusive Correspondence)	1593
Insurance Section	1595
Personal	1599
Canadian Fire Record	1599
Market and Financial Section	1600
Stock Exchange Notes, Bank and Traffic Returns	1603
Stock and Bond Lists	1605, 1607

THE GENERAL FINANCIAL SITUATION.

Paris again secured the bulk of the African gold arriving in London this week. The consignments from the mines amounted to £1,000,000. It was hoarding by the French peasantry that caused the Bank of France to undertake its movement to acquire gold in the past month. As conditions in Europe have settled down, the probability is that the hoarded gold will be gradually returned to circulation and to the depositories from which it was taken. Bank rate in London is maintained at 4 p.c. Call money is quoted $1\frac{1}{2}$ to $1\frac{3}{4}$; short bills, 3-1-16 to $3\frac{1}{4}$; and three months' bills 3-7-16 to $3\frac{1}{2}$. The tendency during the week has been towards cheaper money, and the securities markets have shown a somewhat better tone in consequence. Bank of France rate is $3\frac{1}{2}$ p.c., and discounts in the Paris markets are also quoted at $3\frac{1}{2}$. The Berlin market, stands at $4\frac{1}{4}$ p.c.; and the Imperial Bank of Germany quotes 5 p.c.

The international markets are accepting quietly the course of developments in Tripoli and in China. It is gradually becoming apparent that Italy has involved herself in a most costly enterprise in attacking Turkey. It has been pointed out that the problem before Italy is far more difficult than that which confronted France in Morocco. Judging from present appearances the price to be paid for Tripoli will amount to many times the value of the place. It may be that even with a successful termination of the war some disagreeable and dangerous political developments will follow in Italy itself. And, especially if the war be protracted, and if it calls for strenuous exertions, it is possible that the Italian Government may be menaced with political troubles similar to those which the Spanish Government experienced as a result of its adventure in Morocco.

In New York interest rates have moved slightly upwards. Call loans are $2\frac{1}{2}$ to 3; sixty day loans, $3\frac{1}{2}$ to $3\frac{3}{4}$; ninety days, $3\frac{1}{2}$ to $3\frac{3}{4}$; and six months, $3\frac{1}{2}$ to $3\frac{3}{4}$. These are for loans on approved stock market collateral negotiated by the best houses. The rates for mercantile paper with currency of two and three months are given as $4\frac{1}{4}$ to $4\frac{3}{4}$. Good business houses in various parts of the United States are accustomed to send their paper to New York for discount. Those who are experienced in the business know quite well that they cannot get loans at the rates quoted in papers. It is a source of endless complaint with the borrowing houses that they are compelled to pay perhaps 1 p.c. or more above the rates quoted in the press. The explanation is that only a very few of the biggest and best companies get those fine rates. One New York daily with a wide knowledge of money market conditions says that about four-fifths of the business in commercial paper is done at rates 1 p.c. higher than those quoted. Assuming that this information is correct, it follows that Canadian business houses are getting advances at lower rates than houses similarly situated in the States.

The Saturday bank statement at New York was accepted as favorable. Loans increased \$6,962,000, and cash increased \$4,347,000 in the case of all members of the clearing house; and the excess cash reserve increased by \$350,000 to \$19,653,000. In the case of the banks alone the loans increased \$8,000,000 while the cash increased \$5,900,000. The surplus increased \$2,144,000. It is said that the New York banks are renewing some of the loans made by them to Berlin. The renewals are being effected at rates higher than those prevailing in the New York market. During the week New York shipped gold to Montreal. New York funds have been quoted quite consistently at a discount in Montreal and Toronto; and from time to time, when one of the banks wishes to bring home a part of its funds for