

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY

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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, MAY 19, 1911.

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THE GENERAL FINANCIAL SITUATION.

The amount of South African gold arriving in London on Monday was \$3,750,000. In the absence of any strong competition from outside, the bulk of the consignment passed into the possession of the Bank of England. Bank rate in London remains unchanged at 3 p.c.; but the market has grown easier in tone and a fractional recession in rates is to be noticed. Call money is 1½ to 1½; short bills, 2½; three months bills, 2 to 2-10. Rates on the continent are practically the same as last week—the Bank of France and the Imperial Bank of Germany adhering to the quotations hitherto published by them, 3 p.c. and 4 p.c. respectively, and the Paris and Berlin markets ruling

at 2½ and 2½ respectively. The Bank of Bombay's rate has been reduced from 7 p.c. to 6 p.c.

In New York the money situation has tended to work towards higher rates. Call loans are 2½; and time money is slightly harder in tone. Sixty day loans 2½ to 2¾; ninety days, 2¾ to 3; six months 3¼. According to the press dispatches there has been an increased demand for funds and, as will be noticed, the quotations are fractionally higher for all maturities. The clearing house banks on Saturday reported an increase of surplus amounting to \$3,022,700. It came about as a result of a loan contraction of \$9,000,000, and a cash gain of \$600,000. After this addition the surplus stood at \$44,662,525, or more than double the surplus recorded at the same date in 1910 and 1909.

However, the statement of the trust companies and non-member state banks gives the reverse side of the week's operations. These institutions underwent a distinct loss of strength. Their loans increased \$10,662,000. And, as their cash holdings rose only to the extent of \$860,000, the net result was a fall in the proportion of reserve to liability from 17.7 p.c. to 17.6 p.c.

It has been generally understood for some time that the long continued dullness and inactivity of the Wall Street stock market was one of the reasons for the cheapness of money in New York. Of course, the non-existence of speculative interest in stocks was not the sole cause of the dull money market. The cotton trade, the iron and steel trade, the copper trade, and other departments of the commercial system have all been depressed and more or less stagnant. And their want of activity has reacted importantly upon the demand for money at the continental centre. But this present week has seen a marked revival of activity in Wall Street. The immediate occasion was the handing down by the United States Supreme Court of its decision in one of the important anti-trust cases which have been pending for many months. It is decreed by this tribunal that the Standard Oil Company of New Jersey is an illegal combination acting as an unreasonable constraint upon trade and the company is required to dissolve. Thus one of the long expected decisions goes against the corporations in this respect, but the Supreme Court intimated in the clearest manner, in handing down its verdict, that each case of combination brought before it will be tried on its merits and where there is no unreasonable restraint of trade proved in connection with the combination, it will not be declared illegal. This decision was handed out on Monday after the stock market had closed. In Monday's market the transactions were 164,974 shares and in the preceding Saturday they were 70,659 shares. On Tuesday there was a great in-