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R. WILSON-SMITH.
Proprietor.ARTHUR H. ROWLAND
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INDEX TO PRINCIPAL CONTENTS

	PAGE
Prominent Topics.....	313, 315
General Financial Situation.....	317
Lloyds Bank Limited.....	319
Banks' Pensions and Premiums (with Statistics).....	319, 321
Federal Life Assurance Company.....	323
Insurance Section.....	323
Union Life Assurance Co.....	325
Equity Fire Insurance Co.....	325
Taxation on Miscellaneous Insurance Pre- miums in Quebec.....	325
Personal Paragraphs.....	327
Canadian Fire Record.....	327
Market and Financial Section (Corporation Reports).....	329, 331
Stock Exchange Notes, Bank and Traffic Returns..	335
Stock and Bond Lists.....	337, 339
Annual Statements:—	
Federal Life.....	332
Equity Fire.....	333
Union Life.....	340

THE GENERAL FINANCIAL SITUATION.

The Bank of England secured \$5,000,000 of the new gold placed on the market Monday. The big English central institution continues in force its $3\frac{1}{4}$ p.c. official quotation. Rates for money and discounts in the London market have undergone no marked changes. Call money 3 to $3\frac{1}{4}$; short bills, 35-16; three months bills, 35-16. Labor troubles have continued to affect the market. Doubtless, the threatening aspect of the coal miners' unions has operated to prevent or postpone a demonstration of relief on the part of the security markets over the promised improvement in Anglo-German relations. But the big financial interests will probably not object to holding the matter of a possible rapprochement in reserve. Held in reserve it will lose none of its force as a market factor; and the announcement of some definite or tangible achievement, in the way of removing the international animosity, could be used as an occasion for moving the market upwards.

In the Paris market discounts have hardened

slightly—the quotation being 3 p.c.; Berlin has also moved up to $4\frac{1}{4}$ per cent. The Bank of France and the Bank of Germany adhere to the rates hitherto quoted by them: viz., $3\frac{1}{2}$ per cent. and 5 per cent. respectively.

The New York money market is dull and uninteresting. Call loans, $2\frac{1}{2}$ p.c.; sixty day loans, $2\frac{3}{4}$, 90 days, 3 p.c., and six months, $3\frac{1}{4}$ to $3\frac{1}{2}$. The Saturday statement showed that a further heavy inroad had been made on the reserve strength of the clearing house institutions, chiefly owing to the loss of cash which amounted to \$8,367,000. This, with the loan expansion of \$2,688,000, caused the banks and trust companies to report a decrease of \$8,000,000 in excess cash reserve. The excess, however, still stands at a respectable figure—\$28,199,000, and it is to be remembered that the New York and Chicago bankers are still in possession of large credits in Berlin and London. At any time they choose to do so they can supplement their cash resources by drawing upon or disposing of these credits. The decrease of surplus shown by the banks alone was not quite so great. Their loans increased \$3,911,000, and cash decreased \$7,440,000, the fall in the surplus being \$6,845,000.

The formal entrance of Colonel Roosevelt into the contest for the Republican nomination for President appears to have increased the sensitiveness of the financial markets as regards political developments. Many well-informed observers consider that the event will improve the chances of Democratic success as it will have a tendency to disrupt the Republicans. So the policies advocated by the Democrats are looked upon as more likely to be carried into effect. So far as ex-president Roosevelt is concerned, it is generally considered that the election of Governor Dix, in New York state, over a year ago was intended by the voters in part as a rebuke to Theodore Roosevelt for presuming too much in the way of running the affairs of the state and of the nation. As that rebuke was not apparently taken to heart by the person for whom it was intended, it is just possible that he will receive a somewhat stronger rebuke in the course of 1912.

Money rates in Canada are not materially changed. Call loans in Montreal and Toronto are still quoted 5 to $5\frac{1}{2}$ p.c. The street has been interested this week in the formal transfer of the business of the Eastern Townships Bank to the Bank of Commerce. As the absorption went into effect on the last day of February presumably the Eastern Townships will not appear in the February bank statement. That will reduce to 28 the number of banks reporting; and, as the Sovereign will probably also disappear in the course of a moderate time, the number may be reduced to 27. So far as the Commerce figures are concerned, after the absorption the capital stock will appear at \$14,808,610, plus such payments as the