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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.

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THE GENERAL FINANCIAL SITUATION.

The Bank of England was successful in getting the consignment of new gold arriving in London this week from the Transvaal. Bank rate in the British capital was left unchanged at 4 p.c. The trend of money rates in the market has again been downwards. Call money, 2½; short bills, 3⅛; three months bills 3⅛ per cent. Thus all maturities are quoted fractionally lower than a week ago. On the Continent also discounts are softer. Rates receded both in Paris and Berlin. Open market at the former centre is 2⅜ and at the latter 3¼. On Monday the Bank of Germany lowered its official rate from 5 to 4½ p.c. The latter rate had been in effect since September 26, 1910. In connection with this movement it is to be observed that the German bank usually reduces its rate at the end of January or early in February. Thus a rate of 5 p.c. had been in force at Berlin in the closing months of 1909. It was reduced to 4½ on January 21, 1910, and to 4 on February 10. During 1908 the Imperial Bank of Germany was occupied in getting its discount rate gradually down from the high point it reached during the United States panic. On November 8th, 1907, bank rate at Berlin was 7½ p.c. It was reduced to 6½ on January 13th, 1908, to 6 on January 25th, to 5½ on March 7th, to 5 on April 27th, to 4½ on June 4th, to 4 on June 18th, and there it was allowed to remain till February 16th, 1909, when it came down to 3½.

The Bank of France this week made no change in its rate. The 3 p.c. quoted by it is still considerably below the official bank rates in England and Germany.

In New York the tendency has been rather towards stiffness although not a great deal of progress has been made in that direction. However, the authorities on the market are beginning to ask themselves whether stringency is to reappear. In view of the known developments in New York the best informed people here did not take a great deal of stock in the confident assertions made by some New York parties that money was to be a drug on the market in Wall Street throughout 1911. There were a number of circumstances, which have been referred to at different times by THE CHRONICLE pointing distinctly to the conclusion that the January relaxation in money would be succeeded by a period of higher rates

Call loans in the American metropolis are 2⅜; sixty day loans, 3 p.c.; ninety days, 3¼ p.c.; six months, 3¾ to 4. On Saturday the clearing house banks reported a loan expansion of $9,700,000 along with a cash gain of $3,100,000. The surplus remained unchanged; or practically unchanged, as the increase of $40,000 shown in the actual figures does not amount to anything. The surplus now stands at $37,398,575. It is interesting to observe that in the "average" statement a loan expansion of $34,600,00 is shown while in the "actual" statement the expansion is $9,700,000. This indicates that in the "average" statement a loan expansion anticipation of statement day, a huge amount of loans were transferred or got rid of in some manner. Where they went may be surmised from the fact that the loans of the trust companies and non-member state banks show an expansion of $19,000,000. A critic of the money market position in New York has pointed out the fact that