

# The Chronicle

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### Canadian Insurance Investments.

AT the fifth annual dinner of the New York University of Toronto Club, Mr. Miles M. Dawson spoke to the toast "Canada" in the unavoidable absence of Hon. J. P. Whitney. In the course of his remarks, as reported by *The Insurance Press*, Mr. Dawson expressed himself as follows with regard to Canadian insurance companies' investments:—"The laws of Canada, framed at a time when the steam railway securities of the province were looked at askance, do not permit the Canadian life companies to invest in such securities. That time has passed; and in Canada, as in the United States the bonds of the steam railway companies are among the very safest classes of securities. Canada is now engaged in the construction of railways covering thousands of miles, the financial returns upon which will be certain and enormous. Meanwhile, partly because of such a law, the investments of the companies have been diverted to other countries to a degree which has caused some criticism in Canada, though the investments have proven to be profitable and secure."

### United States Currency Legislation.

THAT some legislation for the relief of the financial situation in the United States is likely to be enacted at this session of Congress is the gist of the past week's Washington reports. *The Financier* of New York considers that the measures likely to meet the favour of both houses will include provision for an increase in the limit of bank note retirements and the conferring upon the Secretary of the Treasury of the authority to deposit customs collections in depository banks. It does not consider that there is any present likelihood of passing the measures formulated in the House providing for an asset bank currency. It is not unlikely that the favoured measures will be incorporated as Senate amend-

ments to a financial bill which has already passed the House, providing for an increase in the volume of small notes and also for gold certificates of lower denomination than twenty dollars. Such increase in small notes has been insistently demanded by business men throughout the country, especially during the past two seasons.

### Views of New York Clearing House President.

SECRETARY Shaw's has not been the only recent post-prandial utterance regarding banking and currency questions. Mr. Alexander Gilbert, president of the New York Clearing House, gave a notable speech at the banquet of the New York Bankers' Association. In it he deprecated certain modern tendencies in banking and ridiculed the idea that a more elastic currency was to be the cure-all for whatever conditions were unfavourable to best financial development. He held that rampant speculation has greatly aggravated recent difficulties. There have now been three or four years "of great business activity coincident with great speculative movements. The result has been high interest rates and abnormal business conditions."

Referring to banking a generation ago, Mr. Gilbert said: "We had our troubles in those days, of course. We had our crop-moving times, when money was scarce. We had our periods of extraordinary business demands and our periods of great speculative activity, 90 p.c. professional then as now. But we never blamed it on the currency. We realized that the combined credit of the country could not finance phenomenal business activity and phenomenal Wall Street speculation at the same time, and it is just as true to-day as it was then."

Mr. Gilbert pictured conditions thirty or forty years ago as characterized by a true spirit of co-operation between the banks themselves. To-day's