

The following classification gives an indication of the foreign fire companies, which have interests in the United States:

	Licensed.	Unlicensed.
Austria	1	2
Belgium	1
Bulgaria	2	..
Canada	2	1
China	2	1
Denmark	1
England	28	18
France	9	5
Germany	13	2
Holland	1	4
Japan	1	..
New Zealand	1	..
Russia	9	1
Scotland	3	4
Spain	1	1
Sweden	2	..
Switzerland	3	..
Total	78	41

GOLD DEPOSITS AT OTTAWA FOR ENGLISH ACCOUNT.

An arrangement has been completed for the Bank of England to deposit gold at Ottawa against payments in London. This means in brief that grain shipments to the mother country can now be financed without the imposition of any strain upon Canadian banking institutions. It is explained by Hon. W. T. White, minister of finance, in the following terms:—

"Recently the matter has become of extreme importance because it was found practically impossible to finance shipments of produce from Canadian ports, and there has been a great congestion at Montreal awaiting normal exchange conditions. Shippers could not sell their grain or other produce bills because the banks could not sell these as usual in New York, and if they were forwarded for collection in Britain and paid there the banks could not bring the gold over.

"The result of attempting to finance Canada's vast export produce trade in such conditions of exchange would have been that Canada would pile up gold balances in Britain and be depleted of gold here. To meet this situation and restore normal rates of exchange a simple plan has been worked out. The Minister of Finance will act as trustee to hold gold for account of the Bank of England. American bankers desiring to pay gold in London will forward it to the Minister of Finance here for account of the Bank of England.

"Thus it will not be necessary to ship gold across the Atlantic to make payments in London, and exchange rates should at once ease off. American and Canada exports which shall go forward to Europe this fall will speedily restore financial balance and possibly bring it about that exchange will be in favor of America. There is little doubt that the arrangement will at once lift the financial embargo upon Canadian food products awaiting shipment.

"Under the arrangement the banks here would be able to pay interest on Provincial Government, municipal and corporation securities maturing in London, by depositing gold with the minister and making the necessary arrangement in London."

On Wednesday it was also announced that the Imperial Government has agreed to guarantee the Bank of England from any loss it may incur in discounting bills of exchange of either home or foreign

banks on trade accepted prior to August 4. The effect of this measure will be to enable Canadian banks to take the contents of their bill case, as it existed on August 4th, to the Bank of England for discount and payment. In the aggregate these bills would run up into some millions of dollars. The proceeds from payment of these bills at the Bank of England will then be available for the purpose of meeting any Canadian obligations due in London, including interest on treasury bills. This can be done now as the moratorium as effecting bank balances only applies to bank balances that existed prior to August 4th, and not to balances created since that date.

In New York Kuhn, Loeb & Co. are negotiating with London financiers for an arrangement under which money due in Great Britain by American firms may be paid to an agency in New York, in trust for the British Ambassador, for account for the Bank of England. The latter then would pay out the equivalent in England at an agreed rate of exchange.

Under this system money owed to American houses by England would be paid in the Bank of England in trust with American Ambassador for account of the agency in New York. Differences would be settled probably in gold until such time as the exportation of American products proves sufficient to offset obligations in England. If this plan can be made effective it is expected to end the present deadlock in exchange.

EQUITY FIRE'S DENIAL OF LIABILITY.

It is stated that the Equity Fire of Toronto, which recently reinsured all its own business in the National-Ben Franklin Fire of Pittsburgh, has served notice by advertisement that it will refuse to acknowledge liability under policies issued by the German Canadian Underwriters' Agency. It appears that the Equity arranged to issue a policy under this name, reinsuring the liability thereunder in two foreign unlicensed companies.

The *Insurance World* comments severely upon this step as follows:—"The extent to which the scramble for business has been carried by companies not able to make good under the liability assumed is shown in the repudiation by the Equity Fire of Toronto of its liability under policies issued by the German-Canadian Underwriters. It had been assumed generally that the policies of the latter concern were backed by the Equity Fire, but the officers of the latter now contend that the policies were in fact endorsed by two unauthorized companies and that it merely received a commission for the use of its name. It would be a bad precedent if the Equity Fire is allowed to get away with the claim, that is, assuming it has the funds to make good. The financial strength of the company has not been such that it could feel easy as regards its own liability, or the liability taken under direct contracts, but there has existed for several years a practice of permitting general agents to bid for and write business all over the country, placing the risks in an underwriters or annex with high sounding title; a practice that has pulled in the coin for the general agent but proved ruinous to the company. 'German-Canadian Underwriters' sounds well, but it is not sufficient in itself to pay claims when fires occur. A law that would make the general agents of such concerns liable for losses, might not be a bad proposition."