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R. WILSON-SMITH, *Proprietor.*
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BRITISH STAMP DUTIES ON CANADIAN SECURITIES.

Stock Exchange members of the British House of Commons played a leading part in the stamp duties discussion during the committee stage of the Finance Bill. The Government proposals, as will be remembered, are that the stamp duties chargeable on market securities other than Colonial Government stocks shall be £1 instead of 10s. An amendment was moved that the exemption regarding Colonial Government securities, which include provincial securities, should be extended so as to include all Colonial stocks. Major Coates, a partner in a very well known Stock Exchange firm, pointed out in an able speech that the Government's proposals would lead to British capitalists forming trust companies, with offices in the States or Canada, to invest in Canadian municipal and industrial bonds. As a result the Chancellor would only obtain the income tax on dividends coming from such trust companies; and would lose the stamp tax on the issue, the contract stamp payable on every deal in the securities, and the advantage accruing to home industries as a result of the fact that the money lent by British investors is often not shipped in cash but in kind.

"A few years ago," continued Major Coates, "America never attempted to tender against us for these gilt-edged bonds. We were in absolute command of the markets of the world—so far, at least, as Canadian securities were concerned." But now America is a very keen competitor for these bonds. Major Coates stated that he had some knowledge of this matter personally and had consulted one or two leading groups in the city of London, competitors of his firm, each of whom agreed with him and had authorized him to make this statement. Pointing out that when Berlin raised her stamp duty in 1898-9, from 1 to 2 per cent., a large amount of business was driven to London, Major Coates concluded that he was satisfied that the effect of increasing the 10s stamp to £1 would be to turn business away from British markets. This view was corroborated by other members. Nevertheless, the clause was carried by a majority of 131. It is not the intention of the Government to make the clause retroactive.

The next clause—that referring to the stamp duties on contracts—was also agreed to; the Government, after negotiations extending over many months, having come to an arrangement with the committee of the Stock Exchange.

SOME MONETARY ASPECTS ABROAD.

Only twice in the history of the national banks of the United States has the September report of the comptroller of the currency shown so great an impairment of reserve position as compared with a year before. The two years referred to were 1906 and 1902—both of them periods of extreme Wall Street speculation and of severe autumn stringency. But in neither of those years was there any such increase in bank loans as has occurred since the autumn of 1908. The loan expansion was $261,000,000 during the twelvemonth ending in September, 1902, $299,000,000 for the similar period in 1906, and no less than $378,000,000 in the twelvemonth just past—bringing the September, 1909, total up to over $5,128,000,000. Particularly since the close of June, have the loan increase and cash decrease been going on at an accelerated pace. "These are figures which do not demand extended moralizing," remarks the New York Evening Post, "they speak for themselves."

It is to be further noted that the national banks' September specie holdings of $680,185,000 show a $14,000,000 loss of cash in the past twelvemonth—as against a gain of $75,000,000 to support the corresponding period's loan expansion in 1907, the one year in which loan expansion was as great as this year.

As against 4½ per cent. call money at the ending of September this year, there was a rate of 9 per cent. in 1906, 7 in 1905, 35 in 1902, and 20 in 1899—all typical "tight-money years." This year, therefore, the strain on the New York market was not so quickly felt as in times past—disengaged European capital contributing to delay the usual autumn strain. But with the rise in the call rate to 6 per cent. on Tuesday, and its subsequent hovering around the 5 per cent. level, trading interests have been made aware that cheap money is not illimitable—and that if Europe is to supply more funds they will have to be paid for. Wednesday's material decline in foreign exchange rates pointed to the possibility of some relief by means of gold imports. But, on the other hand, if these are to take place in spite of yesterday's rise in the Bank of England rate,