

the uncomfortable effects which are practically certain to follow the great British strike. Montreal has been required to abandon the flotation, for the present, of its proposed bond issue in London. So a bank loan doubtless will be necessary. For the time being Canadian municipalities and corporations cannot count upon placing issues of bonds or debentures in London. And it is, therefore, to be expected that many of the big companies having committed themselves to extensions of plant or to other expensive undertakings, will find means of securing temporary loans from their Canadian bankers to run until the London market again assumes a favorable aspect. In the case of corporations in good credit some of these temporary loans may reach large proportions. As there is already a full demand upon the credit facilities of the banks it is inevitable, if Canada's activity continues unabated, that a protracted closing of the London market will cause stringency in the Dominion. If, say, a dozen or fifteen big industrial companies and big municipalities should require special loans of upwards of a million dollars, in the aggregate they might absorb \$15,000,000 of the available funds of the banks in a comparatively short time. At this time of year, too, the loans to the big Eastern lumber companies are at a high level.

MONTREAL'S TAXATION OF FIRE COMPANIES.

The additional taxation which Montreal is imposing upon the fire insurance companies upon the basis of the premiums which they collect in the city has now assumed a different aspect. The committee of the Upper House at Quebec giving consideration to the Montreal bill, on Wednesday decided to amend the first proposal to increase the tax from one

to two per cent. by making the tax one per cent. on the premiums collected without any restriction as to amount, and with a minimum tax of \$200. That is to say, that instead of there being as formerly a maximum tax of \$1,000 there will now be a minimum tax of \$200 and for premiums collected in excess of the amount covered by that minimum a straight one per cent. tax.

Stiff opposition to this increase in taxation was made by underwriters, who submitted the argument that they were already over-taxed in Montreal. For example, it was shown that two of the companies paid \$12,000 taxes in the Dominion outside of Quebec, while they contributed \$10,000 in this province. Other figures were given to prove that for the past ten years the average profits of the large companies have been about six p.c.

Hon. Mr. Bergevin proposed an amendment to the two per cent. proposal that insurance companies should pay the cost of the upkeep of the salvage corps, and that the present tax of one per cent. be abolished. This met with some favor, but was not accepted. Hon. Mr. Perodeau, after reviewing the case, proposed that the tax be as outlined above and this was carried. It is estimated Montreal will collect by the new tax about \$5,000 more revenue than at present.

It is all very well for Fire Chief Tremblay to argue, as he did before the committee, that the companies should pay the entire cost of the salvage corps, but this increased taxation is merely inviting the companies to put up their rates. Those who carry fire insurance will have the privilege of paying more taxation for those who are too careless to do so. That is the practical effect of the new taxation.

COMPARATIVE STATEMENT OF RELATION OF BANKS' RESERVES TO IMMEDIATE LIABILITIES
(Compiled by The Chronicle.)

	February, 1912	January, 1912	February, 1911	February, 1910
LIABILITIES.				
Dominion Government deposits.....	\$ 10,057,477	\$ 5,459,326	\$ 5,086,793	\$ 8,524,657
Provincial Government deposits.....	27,304,894	27,015,103	27,725,625	31,519,125
Deposits of the Public "demand".....	321,152,954	316,936,962	268,360,593	236,697,987
Deposits of the Public "notice".....	600,252,128	596,847,174	551,424,373	507,307,733
Deposits elsewhere than in Canada.....	81,397,599	77,049,762	68,296,858	73,944,685
Total deposits.....	1,040,165,056	1,024,308,327	920,894,152	857,994,187
Note Circulation.....	88,920,593	88,065,521	79,927,785	74,686,413
	1,129,085,654	1,111,373,848	1,000,821,937	932,680,600
*Less notes and cheques other Canadian banks held.....	50,362,587	49,883,535	41,584,289	36,926,404
Net Liability.....	1,078,723,067	1,061,490,313	959,237,648	895,754,226
AVAILABLE ASSETS.				
Specie and legals.....	134,207,459	134,181,975	110,161,617	101,656,693
Net foreign bank balances.....	39,082,760	39,556,016	33,791,469	23,987,775
Foreign call loans.....	88,589,472	80,871,118	85,429,046	120,374,681
	261,879,691	254,640,109	229,373,132	246,019,149
Percentage of Liability.....	24.28	23.99	23.91	27.46

*This item is deducted because it represents obligations of the banks held by themselves.