

A LONDON APPRECIATION OF CANADIAN BANKING.

A generous tribute to the position occupied by the Canadian banks appears in the new banking number of the London Economist, a tribute that is the more notable since the Economist in the past has been inclined to be very critical of the Canadian position, occasionally perhaps, ultra-critical. The lapse of time, now says the Economist, has completely justified the confidence in Canadian banking which it expressed a year ago:—"Naturally, the exigencies of the time necessitated unusually large appropriations or writing down securities and meeting losses, but thanks to the conservative policy that has marked recent years of Canadian banking policy this necessity in no case placed a dangerous strain on resources.... The strength of the bank positions as set out on paper is real and not fictitious or due in any appreciable degree to inflation. Practically the only artificial method adopted in Canadian finance was the suspension of specie payments for Dominion notes."

After reviewing the Canadian economic position, which it is remarked "has taken on a comparatively rosy complexion," the Economist concludes:—"Canadian banks have weathered the storm and, after a period of strain and readjustment, are obviously on the threshold of less anxious times. The conclusion of the war will bring bankers face to face with a fresh set of problems, the magnitude of which should not be minimised. But the record of the past year and the hopefulness of the near future justify a feeling of relief and confidence."

HOW THE BRITISH TAX ON WAR PROFITS WORKS.

The following details of the new British 50 per cent. tax on war profits are given by the London Insurance Record. The tax is 50 per cent. of the excess of the actual profits earned in any year ending between 1st September, 1914, and 1st July, 1915 (excluding the first £100), over and above the pre-war standard of profits. The pre-war standard is the average profits of any two trade years to be selected by the tax-payer from the last three trade years ending before 1st August, 1914. If, however, the standard so ascertained is less than 6 per cent. of the capital employed in the case of companies or bodies corporate, then such 6 per cent. of the capital shall be taken as the pre-war standard. If in any accounting period ending after 1st September, 1914, there has been a deficiency of profits compared with the pre-war standard, such deficiency shall entitle to repayment of excess profits duty on that amount in respect of any previous period, or be set-off against excess profits in any succeeding period. Where excess profits duty has been paid in any year, the amount paid shall be allowed as a deduction from profits liable to income tax, subject to adjustment for repayment of excess profit duty as above.

Two agencies, the automatic sprinkler and the high-pressure water service, are those most to be depended upon, for many years to come, in protecting our cities from the conflagration danger—one to detect and extinguish fires as they start, and the other to drown out a fierce and rapidly spreading blaze.—*Spectator*.

BANKS' NEW YORK BALANCES.

The movement of the Canadian wheat crop, writes a Toronto correspondent, has probably had important effects on the financial relations of Canada and the United States during October. It is understood the grain bills sent down to New York have swollen the foreign balances of the Canadian institutions quite considerably. As they are financing the crop movement at home largely through expanding their note issues, they are not compelled to immediately ship back or transfer to Canada the whole proceeds of exchange bills sold in New York. It is possible while the bulk of the bank notes remains in circulation to put some of the funds into call loans abroad, and that is likely what has been going on in October—unless, of course, withdrawals of the special balances created by the Dominion loan served to offset the accumulations through the sale of grain bills.

ROYAL TRUST COMPANY.

At the annual meeting of the shareholders of the Royal Trust Company which was held on Tuesday, Mr. H. V. Meredith, president, called attention to the satisfactory increase in the number of estates and trusts under administration, the amount of this business being the largest in the Company's history.

The old board of directors was re-elected with the addition of Mr. E. J. Chamberlin, president of the Grand Trunk Railway system, and Mr. Herbert Molson. Sir H. Montagu Allan was appointed vice-president in succession to the late Sir William Van Horne.

OUR BORROWINGS ABROAD.

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rowings, apart from those for war purposes. As to the probabilities of *post-bellum* developments in this connection, the railways are not likely to be large borrowers for the reasons already stated, except possibly at the outset in the final arrangement of old commitments. It may be hoped also that the lesson of economy will remain with the municipalities for a period, while the extent of Government borrowings for public works, etc., is likely to depend upon the size of the burden imposed as a result of the war in relation to the capacity of taxpayers. But restriction of borrowing in the directions named is likely to be offset by increased demands from other quarters. The continued development of our agricultural resources is likely to set up a strong and continuous demand for mortgage loans, necessitating in turn the procuring of additional debenture capital by the loan corporations. With our agricultural development is likely to be linked in due course a new industrial development. That funds for these purposes will be readily obtainable to finance sound propositions of this character there is every reason to hope and believe.