

interest at 5 p.c. with a commission of  $\frac{1}{2}$  p.c. This transaction serves to illustrate the competition to be expected when Canada again goes to London to borrow money. The Dominion gets a preference in the British market because of its connection with the Empire, and perhaps also because of the high character of its government offerings; but notwithstanding this preference it is likely that the interest rate payable by us will have to be advanced if another Dominion Government issue is made in the immediate future. A vast amount of British money has gone into the Argentine Republic in recent years; and British investors have a high opinion of Argentine stability. So if our rate is not raised, the higher net return to be derived from an investment in Argentines or other similar securities will look attractive to many.

#### NEW YORK POSITION.

Call loans in New York have been steady at  $1\frac{7}{8}$  to 2 p.c.—the last named figure being the ruling rate. The demand for time money was weaker. Sixty day loans,  $2\frac{3}{4}$  to 3 p.c.; ninety days, 3 p.c.; and six months,  $3\frac{1}{2}$  p.c.

Clearing house institutions at New York reported a substantial addition to surplus reserves in their Saturday statement. Taking all members the loans show contraction of \$7,300,000; the cash holdings increased \$6,600,000; and surplus reserve increased \$5,339,800—rising to \$23,016,300. And in case of the banks alone the increase of surplus was \$4,287,000, such increase resulting from loan contraction of \$1,878,000 and cash gain of \$5,320,000.

#### POSSIBLE GOLD EXPORTS.

New York rather expects to lose gold in connection with the Argentine loan of \$50,000,000 just arranged in London. English bankers in the past have frequently met their obligations to Argentina and Brazil through arranging for gold shipments from New York to South America. And at present the New York bankers would doubtless be glad to supply the gold for export, as money rates at their centre are discouragingly low from the banking point of view.

#### EXPRESS BUSINESS HEAVILY HIT.

The money and stock markets in New York have taken interested notice of the arrangements just being made for the liquidation of the United States Express Company. This company decided to go out of business owing to the fact that the reduction of express rates recently ordered by the Interstate Commerce Commission and the competition of the parcel post made it impossible to operate successfully. Other important express companies, it is said, are contemplating the same step. If the Government thus destroys the express companies, it is likely that there will be many business men who will suffer serious loss as a result.

#### FIRE INSURANCE IN CANADA, 1913.

On following pages THE CHRONICLE is this week able to present a summary of the fire business transacted in Canada in 1913 by the companies holding a Dominion license. This summary is compiled from data supplied by the companies and is issued in advance of the government returns. It will be seen from these figures that generally speaking 1913 was not so favorable a year for the companies transacting fire business in Canada as 1912. But it would appear that on the whole 1913 can best be described as an average year.

#### TRUST COMPANY LEGISLATION IN COMMITTEE.

At a sitting of the Banking and Commerce Committee at Ottawa on Tuesday, when the Trust Companies' bill came up for discussion, an amendment was proposed that "the aggregate of sums of money borrowed and of money entrusted to the company for investment, the repayment of which is guaranteed by the company, shall not exceed five times the amount paid up on its capital stock." Mr. J. A. M. Aikins, Brandon, objected to this clause as he thought there should be a discrimination between the money a company could borrow for its own use and money entrusted to it. Mr. White did not think the objection good. In the past there had been no limitation; he thought it was time there was a limitation. Mr. H. B. Ames, chairman of the committee, pointed out that every province had the right to incorporate trust companies and if the bill was made too stringent companies would turn to the provinces for incorporation. The clause was held over for further consideration.

#### LIMITATION OF BUSINESS WITH SHAREHOLDERS.

That a trust company must not loan its funds to any shareholder was the contents of another clause considered. Mr. H. H. Stevens urged that this was an unjust provision inasmuch as where a company had a large number of shareholders it would be prevented from doing business with any of them. Hon. W. T. White explained that the clause was to prevent undue influence being exercised by large shareholders to procure loans, a fruitful cause of the wrecking of many American banks.

Mr. Stevens suggested that an amendment might be made restricting the total amount of its funds a company could loan to shareholders and the amount which it could loan to any one of them. He thought it would be better still to limit the amount of the stock which might be held in a trust company by any one shareholder. It was decided yesterday that a company should not be allowed to lend an amount equal to more than 10 per cent. of its paid-up capital to its shareholders.

Mr. T. E. Fletcher, manager of the Sterling Bank at Cornwall, and superintendent of Eastern Ontario branches, has been promoted manager at Regina.

According to a statement by the treasurer of the Mutual Life of New York, following the putting into force of the new arrangements regarding interest on policy loans, the Company has received letters from policyholders who have been doing a thriving business re-lending money they obtained on policy loans, intimating that, with the rise in the interest rate, they will repay the loans.