

COMPULSORY CANADIAN INVESTMENTS FOR LIFE COMPANIES.

While the Minister of Finance in his new Budget has excluded the life insurance companies from the 25 per cent. war tax on profits, the companies are required to do their bit towards financing Canada's present-day expenditure through compulsory investments in currency loans of the Dominion Government. It cannot be said that the proposals made by Sir Thomas White in this connection are anything but moderate, through probably a certain amount of disturbance of investment plans and organization will result. Many companies have already recognised their obligations in this connection by liberal subscriptions to the recent War Loan, and some of the foreign companies who did not at the War Loan's issue, see their way to subscription, will, we think, now readily recognize that under present Canadian circumstances, the requirements of the Minister of Finance are by no means unreasonable. It is certainly exacting not too much that any foreign corporation acting as trustee for large amounts of purely Canadian funds, shall be required at this time to invest a proportion of those funds in Canadian Government securities, which from the purely investment standpoint are of the highest grade and give a remunerative return.

DETAILS OF THE PROPOSED REQUIREMENTS.

In brief, the proposed requirements which will be incorporated in a new Act to be known as the Life Insurance Companies Investment Act, 1916, are as follows:—

Life insurance companies and associations carrying on business in Canada under Dominion license will be obligated to invest and keep invested a certain portion of their assets during this and next year in the currency bonds or debenture stock of the Dominion. It is proposed that companies whose domicile is outside of Canada but which are licensed to transact business in Canada shall make the deposits which they are required to make in 1916 and 1917 as security for their policyholders in the Dominion in such securities, and as to Canadian companies it is proposed that for the same two years they shall invest in such securities one-half of the increase in their net ledger assets during the years 1915 and 1916, after making provision for increase in foreign reserves and in policy loans. Provision will be made to meet the case of foreign companies which have already made their deposits for the present year.

The Minister of Finance anticipates that the aggregate amount of such investments will reach a total of at least \$15 millions. Present holdings of the Canadian war loan by the life companies will be available *pro tanto* in discharge of their obligations under the proposed Act. It does not appear likely that the new requirements will affect to more than a trifling extent the rates of interest now earned by the Canadian life companies.

BANK OF BRITISH NORTH AMERICA.

The directors of the Bank of British North America have resolved to declare, subject to audit, at a meeting of the proprietors to be held on the 7th March, a dividend of 30 shillings per share, less income tax, making 7 per cent. for the year, and carrying forward about £10,000 to the new account. For the past few years, the dividend has been at the rate of 8 per cent.

MONTREAL CITY AND DISTRICT SAVINGS BANK.

The fluctuations in the deposits of the Montreal City and District Savings Bank during recent years form a suggestive study. Having reached a high level of \$30,713,948 at the close of 1912, they declined during the two following years by \$3,400,000 to \$27,302,778 at December 31st, 1914. This decline had well-recognised origins. The coming of hard times involved a certain number of people in the necessity of drawing upon their savings accounts, while instalment payments for previously-purchased lots and suburban homes constituted a steady drain upon the cash resources of many depositors. Last year, the Bank's deposits again turned upward, reaching at December 31st, \$29,078,393, a gain of nearly \$1,800,000 for the year. Probably no financial institution, except the industrial insurance companies, is in closer touch with the working classes of Montreal than the City & District Savings Bank, and the substantial increase in deposits noted may fairly be taken as an indication of increased saving last year on the part of a considerable section of the population.

By far the greater part of this increase in deposits has been retained as cash. The Bank's cash on hand and in chartered banks at December 31st last totalled \$5,737,059, an increase of fully \$1,500,000 upon the total of \$4,227,976 reported last year. The holdings of high-grade securities show relatively little change in comparison with 1914, the most noteworthy development being a gain of about \$320,000 in the holdings of municipal debentures from \$14,461,136 to \$14,783,556. Dominion and provincial government bonds mark a gain of \$140,000 but the date of the balance sheet precludes the showing of the full effect in this connection of the domestic War Loan.

SLIGHTLY REDUCED PROFITS.

The year's net profits were \$220,266, lower by some \$15,000 than in 1914, a result that would be anticipated in view of the Bank's proportionately larger holdings of cash. The amount brought forward from the previous year, \$64,786, makes a total available of \$285,052. The dividend absorbs \$160,000, and \$3,500 is contributed to various relief funds, leaving a balance on profit and loss account of \$121,552 to be carried forward. No allocation is this year made to the Reserve Fund, which, however, had been previously raised to \$1,350,000.

Owing to ill-health, Hon. J. Aldric Ouimet has retired from the presidency of the Bank, his successor being Senator Dandurand, Senator Mackay, the vice-president for many years, having declined the presidency. Mr. Clarence F. Smith has been elected a director in succession to the late Mr. Robert Archer. Mr. A. P. Lesperance continues as manager.

Agents who readily leave the service of one company to enter that of another are being termed "Rollers"—not Holy Rollers, just ordinary rollers. —*Mutual Life of Canada.*

Fifteen branches of Canadian banks were opened during December and 24 closed. Of those opened, seven were in Quebec and four in Ontario, and of those closed, thirteen were in Ontario and two in the West.