

that the rate so given to them by the banks is nearly always above the rate quoted on the floor; sometimes it is fully $\frac{1}{2}$ p.c. greater. Thus when the official rate appears as $2\frac{1}{2}$ p.c. the broker may hear from his bank that his renewal rate is 3 p.c. If he demurs and mentions the lower rates officially quoted the bank tells him that it is willing to accept payment of his loan.

In Canada money rates are unchanged. Call loans in Montreal are mostly 5 p.c., and in Toronto it is said that a large proportion are at $5\frac{1}{2}$ p.c. Dispatches received from London this week indicate that the congestion in newly issued Canadian securities there is increasing and London bankers advise that our municipalities and other corporations should go slowly in marketing bonds and securities abroad. A Star cablegram says "The heavy pressure which some Canadian municipalities are putting upon the London bond market is doubtless due to the anxiety of Canadian bankers to pass on to the English public large temporary loans they have made to municipalities on treasury bills." THE CHRONICLE has on various occasions referred to these temporary loans made by the banks to municipalities in all parts of the country. Not a few of these municipalities have advances in excess of \$1,000,000. It is well known that Montreal has several millions in temporary loans outstanding. As the aggregate of such loans must be very large, it is not surprising that the banks should be desirous of liquidating them. It will interfere seriously with their plans if the London market becomes so choked with new issues that it cannot take fresh offerings of Canadian municipal and other bonds.

THE TRUST AND LOAN COMPANY OF CANADA.

The newly issued half-yearly report of the directors of the Trust & Loan Company of Canada, offers pleasing evidence of the continued success of the Company's well-known policy of conservatism in management and courtesy to clients—a policy, he it said, that has made the Company's name a household word throughout Canada. The statement itself is almost sufficient evidence of the care which marks the management of this undertaking, but it may be interesting, as showing the serious view which the directors and management take of their responsibilities, to notice an interesting point made by the President of the Company (the Hon. Sidney Peel) at the recent annual meeting. "You must remember," Mr. Peel then said to the shareholders, "that there is not the slightest analogy between our position and that of a bank with floating liabilities. As long as we avoid the fatal plan—fatal to a mortgage company—of accepting deposits, which can be taken away from us at call or short notice, we have no liabilities to meet except the interest on our debentures and the debentures themselves when they fall due, and these are liabilities which cannot be unexpected for they are clearly known and fixed beforehand." This is a sound position to take, and one which will commend itself. Obviously, the business of a loaning company is the loaning of money; and operations going beyond that cannot be considered as legitimate business for a loaning company. It is accordingly satisfactory to find a company of such standing as the Trust & Loan Company of Canada

resolutely declining to go beyond its normal sphere of action, and achieving success for that very reason.

The figures of the half-yearly statement published on another page show that the business of the Trust & Loan Company of Canada continues to expand in a highly satisfactory manner. Compared with the corresponding half-year of 1911, the figures show a general advance—such a steady movement as might be expected from a company taking its full share of the business resulting from the expansion of the Dominion. In the current report the interest account in Canada stands at \$575,157 compared with \$483,978, twelve months ago, an increase in the period of upwards of \$90,000. The net profits for the half-year reach \$253,676, an advance of \$70,000 upon the \$184,627 net profits for the corresponding half-year of 1911. For the whole year, ending March 31 last, it may be pointed out, profits aggregate \$501,883 against \$357,793 in the previous year, while the Company's investments in Canada, which, twelve months ago, were \$12,898,418, reach now \$15,384,244, so that during the year there has been the substantial increase in this respect of \$2,500,000. From the half-year's profits the usual allocation is made to the Statutory Reserve Fund as required by the Company's Special Act, viz., the moiety of profits in excess of 6 p.c. on the paid-up capital. This allocation absorbs \$81,838 against \$56,688 required by the similar allocation in 1911. There is then left at the credit of revenue, including \$18,029 brought forward from the previous half-year, a sum of \$189,867 against \$154,032 twelve months ago. Of this amount \$36,875 goes to the special reserve, this fund being brought up to about \$414,000. The combined reserves of the Company now stand at over \$1,900,000, being approximately equal to two-thirds of the paid-up capital—an excellent indication this, as we have before observed, of the wise conservatism with which this Company is managed. A dividend at the rate of 6 p.c. per annum and a bonus of 1 p.c. for the six months, free of income tax, are paid, making with a similar dividend in December last, a total dividend and bonus for the year ended March 31, 1912, equal to 8 p.c., and leaving \$27,885 to be carried to the credit of the current half-year's accounts.

"Not only," said the President to the shareholders recently, "does the sum of your investments in Canada largely exceed the whole of the debentures and the paid-up capital of the company put together, but we have also a large sum of money in a reserve fund invested in gilt-edged securities outside our business proper, which makes a very strong first line of defence. Beyond that the value of the property mortgaged to us in Canada is, in the aggregate, a good deal more than double the sums invested in mortgages according to our own very careful valuations." This is indeed a strong position, and it is reasonable to anticipate that the shareholders will reap a handsome return from their well-managed investment in the future, since in the natural course of events, the Trust & Loan Company of Canada, will continue to play a prominent part in the development of the Dominion. It is fortunate in its officers, to whom the president paid a handsome tribute at the recent meeting, and to whom indeed is largely due the magnificent reputation which the Company enjoys throughout Canada. Col. L. Edye is the able Commissioner of the Company at Montreal.