

EUROPEAN CREDITS IN UNITED STATES.

It is obvious that prompt arrangements are necessary both for Britain and France of further credits in the United States, writes the N. Y. Journal of Commerce. Only 15 per cent. of the proceeds of the \$500,000,000 Anglo-French loan remains in the depositary banks, and English banks have also begun to utilize the \$50,000,000 credit which was arranged for them by a syndicate of American banks. Very large amounts are yet to be paid upon contracts for munitions ordered by both of these governments. Hence it is evident that some new form of financing is imminent which must contemplate in one form or another the use of the American securities that the British Treasury has during the past month been steadily accumulating from English holders. The best use, it seems to be agreed on this side of the Atlantic, to which these securities can be placed would be to utilize them as collateral either for a large credit to be furnished by banks and other institutions or as the basis of a bond issue to be distributed among individual investors. The latter feature would be somewhat of a novelty in the way of British loans. Heretofore the credit of the British Government has always been considered sufficient for its loans. However, as most of the purchases of the American securities have been made, it is understood, by means of British Treasury bonds the net result would be a nominal difference.

ENGLISH BANKING RESULTS.

The English banks have benefited from the financial activity during 1915. Huge sums have been disbursed by the British Government, while the demand for accommodation has been keen. But at no time has money been scarce and the rates of interest paid upon deposits have been low. Consequently, says the London Economist, the profits, both gross and net, disclosed in the year's reports have reached a new high level and with only a few exceptions, the dividends paid a year previously have been maintained.

Large amounts have again been transferred to meet depreciation in investments. While investments, with the exception of War Stock, have been written down to or below the prices ruling on December 31, 1915, there are in many cases large reserves against further depreciation.

How well the English banking community have supported the War Loans is seen in the large increase under the head of investments, which have more than doubled in twelve months, both in amount and in the ratio to deposits. At December 31st the investments of a group of eleven London banks totalled £227,794,734, a ratio of 31.9 to their deposits, compared with £102,881,014, a ratio of 15.7 to deposits at December 31st, 1914. At the same date, a group of twelve provincial banks held investments of £71,022,076, a proportion of 35.6 to deposits, against £32,769,500, a ratio of 17.9, at the close of 1914.

BANK LOANS ON LIVE STOCK.

The text of the bill introduced by the Minister of Finance providing for loans by banks on the security of live stock is as follows:—

"2. Section eighty-eight of The Bank Act is

further amended by adding thereto the following subsections:—

"12. The Bank may lend money to farmers and those engaged in stock raising upon the security of their live stock. 'Live stock,' for the purposes of this subsection and of subsections thirteen to sixteen, both inclusive, means horses and their progeny, bulls and cows and their progeny, swine and sheep.

"13. The security agreement may be made in the form of a bill of sale or chattel mortgage, or, in any province where no provision exists in the laws of the province for the filing or other registration of bills of sale or chattel mortgages, then in the form H in the schedule to this Act or in a form to like effect.

"14. Such security agreement shall be filed or otherwise registered in accordance with, and shall be subject to the laws relating to bills of sale or chattel mortgages, as the case may be, that are in force in the province in which the live stock included in such security agreement are situate.

"15. In any province where no provision exists under the laws of the province for the filing or other registration of bills of sale or chattel mortgages a memorandum of such security agreement shall be published in the official Gazette of such province, within thirty days after the execution thereof and if such memorandum is not so published the security agreement shall be null and void.

"Such memorandum shall be in the form I in the schedule to this Act, or to the like effect.

"16. A security agreement in form H may be enforced by civil action in any court of competent jurisdiction."

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