

of year. Advances made to the lumber companies in view of the paying-off of the camps go to swell the total of commercial loans. Not only is there this year this cause of expansion in the banks' loan accounts, but it would appear also, judging from the figures for February, that, as has been previously suggested in our columns, the pressure for commercial and mercantile credits generally continues unabated. The banks' current loans on February 29, had reached the new high level of \$793,853,547, an increase of no less than \$17,881,304 upon the end of January total of \$775,972,243. Normally, the present month and April show loan expansion by the banks. And there does not seem any reason to suppose that in this respect 1912 will not be a normal year. So that it is probable enough that the banks' commercial loans and discounts at home will shortly show well above \$800,000,000.

The large February advance in commercial loans did not prevent the banks from making a substantial increase in the immediate reserves in order to keep pace with the growth in immediate liabilities. The banks' deposits of all kinds—government, public and foreign—increased last month by a little short of \$17,000,000 to the new high total of \$1,040,105,056. The Dominion Government's balance accounted for \$4,600,000 of this; demand deposits for \$4,200,000; notice deposits, which reached \$600,000,000 for the first time, for \$3,400,000, and foreign deposits for \$4,300,000. Against an increase in immediate liability of \$17,230,000, the banks provided by a substantial increase in their foreign call loans, which after having reached at the end of January the comparatively low level of \$80,871,118, during February went up to \$88,589,472. The banks' holdings of specie and legals were little changed last month while the net foreign bank balances were only half a million lower than in January. So that the increase in immediate liability of \$17,230,000 to \$1,078,723,067 is met by an increase in the immediately available assets of \$7,200,000 to \$261,879,691, a proportion of 24.28 against 23.99 in January and 23.91 in February of 1911.

The increase in the banks' circulation was only \$855,077, a figure that compares with an advance in February, 1911, of \$2,816,814. This, however, may be in part accounted for by the fact that last year the lumber parties were paid off unusually early owing to the severity of the weather, and it is probable enough that the more obvious effect of this movement of currency will be seen this year in March. It may be also pointed out with regard to the circulation, that while at the end of February, this was about \$9,000,000 higher than in 1911, the capital paid-up is only \$10,000,000 larger than twelve months ago. So that there is practically only a million more of ordinary circulation available for the summer expansion than there was last year. The Minister of Finance (Hon. W. T. White), has introduced into the bill for the extension of the bank charters for another 12 months from July, pending the revision of the Bank Act, a provision extending for this year the period within which excess currency may be issued. The first day of issue is made September 1 instead of October 1, and the date of redemption, February 28, instead of January 31. The adoption of this plan, which has been urged by many bankers, will effectually guard against a repetition of the conditions of last September, when the shortage of

currency was met by a medley of issues, which did not meet the public convenience. It remains to be seen, however, whether the ordinary limit will be sufficient for currency demands this year up to the end of August.

ONTARIO'S NEW INSURANCE BILL.

Changes in Licensing—Brokers' Licenses for Business with Unregistered Foreign Corporations—Permissible Investments for Provincial Companies—Regulations Regarding Co-insurance Clause and Variations of Statutory Conditions.

The text which has now been issued of the proposed new Ontario Insurance Act, shows that many changes in detail are proposed from the existing Act. We subjoin a summary of the more important points covered:—

LICENSING OF COMPANIES.

A company shall not be entitled to have its license renewed until the amount of its contribution to the cost of defraying the expenses of the office of the Superintendent shall have been paid.—Section 6.

No cash mutual insurance company shall hereafter be incorporated.—Section 24.

Before a license is issued or a company is admitted to registry, the superintendent shall be satisfied that the corporate name of the company is not that of any other known company, incorporated or unincorporated, or any name liable to be confounded therewith or otherwise on public grounds objectionable.—Section 43.

Where the company fails to keep its deposit unimpaired, its license may be suspended or cancelled.—Section 47.

If from the annual statements or the examination of the affairs and condition of a company, it appears in the case of a life insurance company that its policy reserves, and in the case of any other company that its unearned premiums in both cases in respect to risks outstanding in Ontario, together with any other liabilities in Ontario, exceed its assets in Ontario (including the deposit in the hands of the Minister), the company shall forthwith make good the deficiency, and on failure so to do its license may be suspended or cancelled and in case of cancellation, if a provincial corporation, its corporate powers except for the purpose of winding up its affairs shall thereupon cease and determine.—Section 53.

A license shall not be granted to a company for the transaction of both fire and life insurance.—Section 64.

A company incorporated elsewhere than in Canada shall not be licensed unless it shows to the satisfaction of the Minister that it has carried on successfully for a period of at least five years, the business for which a license is applied for.—Section 65.

Where a company registered contravenes any of the provisions of the Insurance Act 1910 (Canada), for which its license may under that Act be suspended or cancelled, such company shall be liable to have its registry under this Act suspended or cancelled.—Section 69.

Where any advertisement, letter head, account or other document issued, published or circulated by a registered corporation or by any of its officers, agents or employees purports to state the capital of the corporation, it shall state separately (a) the authorized capital, (b) the capital actually and in good faith subscribed, (c) the capital actually and *bona fide* paid up.—Section 97.

BROKERS' LICENSES FOR BUSINESS WITH UNREGISTERED FOREIGN CORPORATIONS.

(1) Where the Minister is of opinion that insurance or sufficient insurance of property cannot be obtained with registered insurers at ordinary or reasonable rates of premium, he may from time to time by license made for a time not in any case extending beyond the next ensuing 30th day of June, authorize an insurance broker named in such license to effect such insurance with insurers not registered under this Act, and not transacting business in Ontario, other than such as is transacted under the authority of a license issued under this Section.

(2) The licensee before transacting business under the license shall furnish to the Superintendent, security to his satisfaction in the sum of not less than \$5,000 that he will faithfully comply with all the requirements of this Act.