In the belief that the present reserve system is antiquated and unsatisfactory, that the massing of funds in New York and other financial centres, of which so much has been said in recent years, is largely due to the present reserve requirements of national banks, and that in order to get the real benefit from the system of re-discount, which has been proposed as a remedy for many existing evils, it is necessary to base such system upon an actual control of reserves, provision has been made for re-casting the present bank reserve system. The plan includes:—

1. Transfer of reserves from existing national banks in reserve and central reserve cities to national reserve banks.

2. Spreading out of this process of transfer over a period of thirty-eight months in order to give as little shock as possible to market conditions.

3. Ultimately the establishment of a reserve system at the end of the transition period in which (1) country banks will have 15 per cent. of reserve, i.e., 15 per cent. of total demand liabilities, such 15 per cent. to be held 5 per cent. in the bank's vaults, 5 per cent. with the national reserve bank, and 5 per cent. either at home or with the reserve bank; while (2) reserve and central reserve city banks will have reserves of 20 per cent. of demand liabilities, of which 10 per cent. will be at home, 5 per cent. with the reserve bank of the district, and 5 per cent. either at home or with the reserve bank.

4. The presumed effect of this plan will be to end the placing of reserves with central reserve city banks for use in stock market operations, to keep reserve in some measure at home, and to require speculators to get the funds they need in their operations, either by directly borrowing them from persons who hold them and want to lend the cash for that purpose, or else by borrowing from the banks in the places where the operations are to be carried on.

Foreign Banking

In order to meet the view so often expressed in commercial circles, to the effect that the prosecution of American business in foreign countries would be greatly helped by improved banking facilities, the bill authorizes any national banking association with a minimum capital of $1,000,000 to establish branches in foreign countries for the furtherance of foreign commerce of the United States and to act as fiscal agents of the United States abroad. The Federal Reserve Board is required to pass upon all applications of national banks to establish such banks abroad.

BRITISH EMPIRE TRUST COMPANY.

The report of the British Empire Trust Company for the year ended April 30 last shows a profit of £60,900, which is equivalent to 10⅓ per cent. on the capital employed. For 1911-12 the corresponding figures were £67,600 or 13½ per cent. on the capital outstanding. Including £6,600 brought forward, the credit balance now to be dealt with is £67,500, of which £15,000 has been transferred to reserve, as against £35,000 so employed twelve months ago; the dividend on the new issue of cumulative 5 per cent. perpetual preference shares requires £4,000, and £24,000 has, as usual, been absorbed by the 6 per cent. distribution on the preferred ordinary shares. The directors propose to write off the cost of issuing the new preference shares—namely £8,900—and to make the dividend on the deferred shares up to 8 per cent., the same as for the previous year, leaving to be carried forward £7,300. With the addition now made, the reserve fund will amount to £150,000. As regards the investments held by the company, over 67 per cent. of these relate to railways, electrical enterprises, together with gas and water power companies, and over 82 per cent. of the company's investments are quoted on the London Stock Exchange.

CASUALTY AND SURETY UNDERWRITERS.

The programme for the annual meeting of the International Association of Casualty and Surety Underwriters at the Chateau Frontenac at Quebec, July 8 to 11, has been arranged. The address of welcome will be made by Mayor Napoleon Drouin. The remainder of the morning session will be taken up by President Charles H. Holland's annual address and routine business. Wednesday morning will be devoted almost exclusively to addresses, among which are:

Address of the vice-president.—J. Schofield Rowe, vice-president Ætna Life of Hartford. Address.—"The Economic and Essential Functions of the Insurance Companies in the Administration of Workmen's Compensation Laws," R. L. Drake, secretary Industrial Accident Board of Michigan, Lansing, Mich. Address.—"Merit Ratings for Liability and Workmen's Compensation Risks," Carl M. Hansen, secretary Accident Prevention, Inspection and Merit Classification Department, Workmen's Compensation Service Bureau, New York, N.Y.

At the afternoon session vice-president Victor E. H. Hoagland, vice-president of the New Jersey Fidelity and Plate Glass of Newark, will make an address, to be followed by others, which will be announced later. That evening the various sectional meetings will take place. Thursday morning will be devoted to the personal accident and health meeting. Addresses will be made by vice-president Hedley R. Woodward, vice-president of the Fidelity and Casualty of New York, which will be followed by reports of the various committees. The last day will be begun with a general discussion of subjects entered into at the first general session, and this will be followed by the election of officers.

ANOTHER ENGLISH FIRM HAS CANADIAN PLANT.

Boving and Company Extend Organization in the Dominion and Purchase Plant at Lindsay.

The incorporation of Boving and Company of Canada, Limited, with a Dominion charter, marks the establishment of yet another Canadian branch plant of an English house. The company has authorized capital stock of $1,000,000, and its head office will be in Toronto.

According to the second clause of the charter, the company may carry on the business of chemical, metallurgical, mining, electrical, mechanical, and civil engineers and contractors for the construction, erection, alteration and repair of public and private works and undertakings, and any business in which the application of electricity or any other power is or may be useful or convenient to carry on the business of treating, smelting and refining mineral ores or other substances, and for such purpose to install all necessary plant, machinery and apparatus, and to purchase, sell and otherwise deal in ores of various kinds or other substances capable of being treated, and to buy, sell and deal in any products or by-products of such ores or substances.

Plant Purchased at Lindsay

The Monetary Times learns that the company has purchased the Madison Williams plant at Lindsay, Ontario, which will be adapted to the needs of the Boving Company. The company have had an important organization in Canada for many years, but the purchase of the Lindsay factory is an important development of their Canadian business, which hitherto was conducted as an agency. Among the Boving turbine plants installed in Canada may be mentioned the following:—City of Winnipeg, 30,000 h.p.; Ocean Falls Pulp and Power Co., 12,000 h.p.; Calgary Light and Power Company, 9,000 h.p.; Midland Construction Company, 6,500 h.p.; Sydney Power Company, Trenton, 6,400 h.p.; Chicoutimi Pulp Company, 9,200 h.p.; City of Farnham, 1,200 h.p.

Duty, Freight and Repairs

The new company has taken over the Boving agencies and entire business in the Dominion, and, with a view to manufacturing a considerable part of the hydraulic machinery and pumps required for its Canadian contracts, has acquired a plant admirably suited for its purposes. The import duty and freight upon hydraulic machinery supplied to Canada are equal to about 50 per cent. of the net manufacturing cost in Europe. Notwithstanding this fact, Messrs. Boving and Company, have acquired in competition with all Canadian and United States manufacturers, many of the most important contracts in the Dominion. This is due to the admitted superiority of European designs and workmanship in hydraulic machinery. In view of this, the importance of establishing a Canadian plant to manufacture at least a part of the machinery used is obvious. An incidental and important advantage will accrue in the matter of repairs.

The large contracts for installation of power companies, etc., will, as in the past, be financed entirely by the English company. The capital provided by an issue of stock will be devoted solely to the manufacturing business to be conducted at the Canadian plant. The following is the capitalization of the company:—

	Authorized.	Issued.
Preferred 7 per cent. cumulative stock	$250,000	$195,000
Common stock	750,000	403,000

Offering of Stock

The company is offering $100,000 7 per cent. cumulative preference shares of $100 each at par, carrying a bonus of 100 per cent. common stock. Messrs. R. C. Matthews and Company, Toronto, are underwriting this issue, practically all of which has been subscribed. Several prominent Canadians will be on the directorate.

Mr. Douglas Spencer, one of the representatives of the parent company in England, is now in Canada completing arrangements for the establishment of the branch factory. Mr. Clayton will be manager in Canada. Mr. Jens Orten Boving is the head of the parent firm.

COMPANIES INCREASE CAPITAL.

The Equitable Investment Company has increased its capital from $100,000 to $250,000.

The Mooney Seed Company has increased its capital from $100,000 to $250,000.

The capital stock of the Lake Winnipeg Shiping Company has been increased from $500,000 to $1,000,000 by the issue of 40,000 shares of preference stock of $5 each and 60,000 shares of common stock of $5 each.

The Montreal Reform Club has been authorized to increase its capital stock to $100,000, dividing the new capital stock of $80,000 into 1,600 shares of $50 each.

The Trader's Company has been authorized to increase its capital stock from $40,000 to $50,000, dividing the new capital stock of $10,000 into 400 shares of $25 each.