

merely as agents, but as principals. In fact, but for the insurance companies, which collect and invest savings from all parts of the country, the London flotations could hardly have risen to the huge aggregates we now see with these great corporations as participants and underwriters. Prudent management of insurance has become almost as important to Lombard Street (using that term in its larger sense) as prudent management of banking. The importance of strengthening and improving the directorates with quiet and careful men of business, who will err, if at all, on the side of caution, is inculcated by Bagehot in his masterly chapter on the joint stock banks. The evils of concealing details of management and of secluding from the shareholders as mysteries what ought to be clear as daylight, the importance of watching every large transaction, and of keeping in close touch with the general manager, so that it will be "impossible for him to engage in hazardous enterprises of dangerous magnitude" without the full knowledge and approval of a careful and businesslike board—these and other wise counsels are just as applicable to insurance as to banking companies—perhaps more so; for the rules of investment are less settled than the rules and practice of banking, and the business of investment has become almost the principal concern of the leading insurance companies.—London Economist reviewing new edition of Bagehot's "Lombard Street."

#### NOTES ON BUSINESS, INSURANCE AND FINANCE.

##### A Decade's Deposits and Discounts.

The figures of the table on page 1129 of deposits and discounts of the Canadian chartered banks during the years 1901-1909 are averages computed from the monthly returns in each year, and show in a striking way the extraordinary growth, which has taken place in Canadian banking during the decade, a growth, which has synchronised with a considerable decrease in the number of Canadian banks. In only two cases, it will be observed, in the table of deposits do the figures of a following year fall behind those of an earlier one, and only one of these instances has real significance, viz., the drop in "notice" deposits from \$413,014,657 in 1907 to \$406,103,063, in 1908. A falling-off in 1908 in this item would naturally be anticipated in view of conditions at that time, but it will be noticed, that although the increase is not so large as in other years, 1908 still showed an increase, amounting to over \$3,500,000, in the column of total deposits. That this was so is mainly due to the jump in that year of nearly seven million dollars in deposits elsewhere than in Canada. The rapid growth of these foreign deposits is one of the most noticeable features of this table, and is strong evidence of the increasing regard in which Canadian banks are held abroad and the increasing importance of their position in the international money market. The whole result is that the Canadian banks show an unbroken series of increases in total deposits during the decade despite the fact that the period included the troublous times of the autumn of 1907 and the early part of 1908. The discount record is more varied, although, so far as the totals are

concerned, there is only one set-back in the decade, viz., from \$709,975,274 in 1907 to \$670,170,833 in 1908. There was an extraordinarily rapid increase in Canadian current loans from 1905 to 1907, the total for the latter year, \$574,784,930 being the highest reached in the decade. Possibly, however, the most remarkable figures in the table are those of foreign call and short loans, in 1908, \$60,764,075; in 1909, \$119,728,263, or almost a doubling in following years.

##### Scottish Union and National.

Mr. James H. Brewster, manager at Hartford of the Scottish Union and National Insurance Company, makes the interesting announcement that the Right Honourable Lord Strathcona and Mount Royal has agreed to accept the office of President of the company, and that the Honourable Lord Ardwall, one of the Senators of the College of Justice in Scotland, has agreed to accept the office of Vice-President. The Scottish Union and National, to whom insurance men generally will give cordial congratulations upon this accession of directorial ability, was established in 1824, and is a tariff office transacting practically all kinds of insurance business. Its organisation now includes branch offices all over the United Kingdom, and an establishment in South Africa, in addition to that in Canada and the United States. Its assets are now over \$30,000,000, and its annual rate of dividend for some years past has been 17 1-2 p.c. The company entered the Canadian field, where its local agents are Messrs. Esinhart & Evans, of Montreal, in 1882, confining itself to fire business. It is interesting to note that the announcement of Lord Strathcona's acceptance of the office of President of the company synchronises with the taking of a Canadian tour by Mr. J. A. Cook, the General Manager. Mr. Cook landed at Quebec this week and, it is understood, he will go as far west as Winnipeg.

##### The Rise and Fall of Fire Insurance Companies.

There has been published by the Spectator Company of New York, a series of diagrams and statistics showing the rise and fall of New York fire insurance companies during 39 years. Within the period, from 1871, nine fires have occurred in the United States and Canada, each of which has caused a loss in excess of \$10,000,000, and 140 other fires have each caused a loss of from \$1,000,000 to \$10,000,000, the aggregate property loss due to these 149 fires having been \$980,510,000. Of the 105 companies operating in New York State at the beginning of the period, 84 or 80 per cent. of the total are now out of business, leaving as survivors 21 companies, a proportion of 20 p.c. Of the eighty-one companies which have been organized since the beginning of the period, 58 or 72 per cent. of the total are now out of business, leaving in business at the end of the period only 23 companies or 28 per cent. So that the figures for the companies in business on January 1, 1871, and those which have since been organized show as follows:—

|                         |                              |
|-------------------------|------------------------------|
| Out of Business.. . . . | 142 = 76 per cent. of total. |
| Surviving.. . . .       | 44 = 24 per cent. of total.  |

Total.. . . . 186

Thus 142 New York companies have been forced out of business by prevailing conditions during the last 39 years. Moreover, the statistics