

The Insurance & Finance Chronicle.

VOL. XVII.

MONTREAL, JANUARY 15, 1897.

No. 2

THE
Insurance and Finance Chronicle
Published on the 1st and 15th of each month.
AT 1721 NOTRE DAME ST., MONTREAL.
R. WILSON SMITH, Proprietor.

Annual Subscription (in Advance) \$2 00
Prices for Advertisements on application

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

Mining Booms.

TORONTO is fast developing another boom. It had one in 1845, when suburban lots sold "like hot cakes" at prices as high as they would fetch to-day, with half a century's taxes and interest on their backs. Then came the craze for North West town lots, which sold there by thousands for prices which ruined scores and crippled hundreds of speculators. This had no sooner culminated than the terrible calamities followed, caused by the boom of its local real estate, from which Toronto has not yet recovered. At present there is a boom developing arising from the popular fancy for mining investments. The promoters of some of the projected mining companies have issued statements, which to any ordinarily prudent person are a warning rather an inducement, but their success in floating schemes shows the number of imprudent investors to be too numerous. Properties declared to be worth one million dollars are being offered *en bloc* for \$5,000, and upon the basis of such properties companies are formed with a capital amounting to even beyond their alleged value. To catch small investors the shares are fixed at prices from 5 cents each to \$1. The device is resorted to of offering shares at par up to a certain date, upon, and after which it is announced that a premium will be charged. The shares are being bought and sold, just as North West town lots were sold in Toronto and Winnipeg a few years ago, passing from hand to hand with a slight advance at each transfer. We are informed that these transactions are being largely engaged in by young men who have not a dollar to invest, but they speculate to the extent of \$100 or more, in the hope to make a trifle of profit. The money needed is found by avoiding payment of store debts. We have before us pros-

pectuses of concerns inviting in the aggregate \$20,000,000 of capital, not one of which is working any mine, yet each one confidently asserts that enormous profits are certain to be realized. Some of these enterprises may turn out well, but the widespread spirit of speculation which is developing will end some of these days in widespread disappointment and disasters, which will be highly detrimental to the credit of Canada.

THE January number of the Canadian Bankers' Association Journal has several excellent articles of interest to bankers and business men. The leading contribution is the second part of Professor Shortt's "Early History of Canadian Banking." The writer alludes to the practice of the French Canadian farmers in hoarding specie as an important factor in connection with the beginning of Canadian banking. An amusing reference is made to Governor Murray's paper money scheme, which shows how able, well meaning men can be deluded on currency matters by mistaking paper notes for capital. The scarcity of silver having led to the general use of "bons," or I. O. U's of a small amount, these prepared the way for paper issues, and a charter was sought in 1767 by a Quebec auctioneer to confer on him the monopoly of making notes for small sums. The article opens up a period in our history of great interest, of which very little is known. The Counsel of the Association, Mr. Lash, Q.C., has an article on Sureties and Securities, treated with special relation to bankers. Mr. Lash first discusses the questions suggested by the above title, and concludes by advising bankers when dealing with them to "Consult the solicitor." The article on "Book-keeping for a country bank agency" shows how very much more elaborate are the accounts of the branch banks in Canada, than those of the old land, though in recent years these have been gradually developing systems more complete and detailed than were in use some years ago. An article is devoted to "the reversal of figures," for the purpose of affording a clue to the cause of mistakes in book-