

pany "A" and company "B" each having a policy reserve of \$5,000,000 on a 3½ p.c. basis. The average rate of interest earned by company "A" is 4¼, and by company "B" 5 p.c. The surplus for the year arising from interest to company "A" would, therefore, be \$37,500, and for company "B" \$75,000. Assuming that this surplus is returned to policy-holders, it will be realized how, other things being equal, the cost of insurance to policy-holders in company "B" would be materially less than in company "A."

Some interesting figures were given demonstrating the reduction in the rate of interest in recent years. That this reduction has been general in its character was shown by the following table setting forth the average rates of interest actually realized since 1800 by Canadian, Australian, United States and British companies:—

Year.	Canadian.	Austrian.	U. S.	British.
1800.	5.56	5.08	5.10	4.10
1801.	5.57	6.14	5.36	4.10
1802.	5.39	5.07	5.08	3.90
1803.	5.40	5.81	4.95	4.05
1804.	5.27	5.59	4.93	4.00
1805.	4.69	5.52	5.00	3.92
1806.	4.78	5.31	4.91	3.86
1807.	4.82	5.08	4.86	3.88
1808.	4.69	4.94	4.87	3.81
1809.	4.56	4.69	4.81	3.77
1900.	4.60	4.58	4.67	3.78
1901.	4.72	4.57	4.61	3.71
1902.	4.80	4.55	4.58	3.67
1903.	4.85		4.61	
1904.	4.86		4.63	

The percentage of investment in mortgages on real estate has declined from 37.02 to 25.85, and in loans on collaterals the decline has been from 0.73 to 3.10. Railway company debentures have greatly increased in favour, the percentage of investment having grown from 2.24 to 14.82; railway stocks have also participated in the growth of popularity, the percentage having grown from .66 to 2.61 and "Other company" debentures increased from .85 and 3.80 to 1.32 and 7.43 p.c., respectively. Bank stocks show a slight increase.

Summing up the whole question of investments, Mr. Bradshaw emphasized the following points:—Shares or other securities which are only partially paid up—that is, which have attached to them an uncalled and unpaid liability—should be avoided, both for lending on and for purchasing outright; that the element of possible loss should not be overlooked in calculating the interest to be received from investments; that, although investments should be permanent, the directors should not ignore changing conditions which offer an increased market price for investments, and that in judging the merits of a security the personnel of the directors and management of the corporation should not be disregarded.

A number of suggestions were offered with reference to the nature of the returns made to the Government, among others the following:—The real

estate be divided into (1) real estate acquired by foreclosure and (2) real estate purchased for head and branch office purposes, with full particulars for each class; that revenues from mortgage loans on real estate be so given that the average rate of interest earned may be deducted; that the time and rate of interest for each call loan be given; that the ordinary loans and the loans made automatically to policy-holders be set forth separately, and that quinquennially detailed schedules of policy loans be submitted to the department to enable it to check "amount lent" with the "reserve value;" that "bonds" and "stocks" be set forth separately; that the former be segregated as Government, municipal and corporation, respectively, and that fuller details of interest, dividend and maturity be given.

QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1595.—Q. E. D., Simcoe.—The authorized capital of The Nipissing Mines Company is \$12,000,000, of which there is issued \$6,000,000. The par value of the shares is \$5, and they are now selling at over \$30. The stock is listed on the Montreal Stock Exchange.

1596.—J. L. S., Quebec.—The appointment of transfer agents and registrars for the transfer and registration of the certificates of stock companies is a requirement before listing of the majority of Stock Exchanges. It is a safeguard against over-issuing of stock, and trust companies are usually appointed.

1597.—H. J. J., Peterboro'.—The Mexico Tramway Company was formed to consolidate the street railway companies of the City of Mexico. The authorized bond issue is \$15,000,000, of which \$7,500,000 is now issued and there is a share capital of \$8,000,000. The National Trust Company is trustees for the bondholders.

The correspondent at Hong Kong of the "Tribune," cables that the British steam launch "Fienam" has been seized by pirates on the West river. The passengers and crew of the launch were robbed and the pirates then raided several Chinese laundries and engaged in a running fight with an armed launch of the salt commissioners. They finally escaped in the darkness with booty estimated at \$10,000.