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Insurance Losses and Mortgaged Property.

THERE appears to be a disposition on the part of loan companies in Ontario to encourage liberal borrowing amongst owners of improved property. In some cases their loans have represented an exceptionally high proportion of value, the mortgagees relying largely for protection in the fact of the property being insured for the full amount of their loans. One or two cases have arisen lately, which indicate that insurance companies are finding it desirable to rebuild destroyed property rather than pay the claim in full, which option they have the right to exercise. While this may not be so satisfactory to the mortgagees who have been accustomed to at once recover their loans through the concurrent insurance upon the mortgaged property, yet if the insurance companies will pursue the plan of rebuilding as often as possible, it is likely to teach loan companies and other parties to be much more careful in the selection of their mortgages.

Australian Trade.

THE British Columbia Board of Trade is interesting itself actively in the promotion of more intimate trade relations with the Australian colonies, made more possible by the increased facilities for communication being afforded by the new Canadian-Australian line of steamships. The statistics published in Australia have been crediting to the United States, because San Francisco had been the shipping point, trade which properly came from Canada; and the figures in the New South Wales year book have been considerably at variance with the Dominion blue book. Trade should be augmented in several directions. British Columbia now has the contract for supplying the largest mine in Australia with lumber, and lumber is an article in

which business could be much increased. With cold storage, Australian mutton might be exchanged for salmon and other fish, and the latter could find a fair market in Hawaii. Much of the Australian mail, customarily sent by way of the Suez Canal to England, will be deliverable ten days shorter from Sydney to London by way of the Vancouver route.

The Money Market.

IN view of the prosperity of the country in general, as indicated by the reports and addresses at recent bank meetings, to which we referred at considerable length in our last issue, there is a feeling of surprise that the money market remains apparently so stringent in the leading monetary centres of the Dominion. We are inclined to think that it is mainly due to a realization of the necessity of preserving a policy of extreme cautiousness. Not only is this at the present time an advantage to our financial institutions, but it also serves in a healthful way to present an object lesson to the mercantile community, and impresses the propriety of observing equal conservatism, if the pushing of business requires unwise dependence upon borrowed capital. There are times when a bank may go too far in a policy of caution, and so completely shut down upon loaning as to work a serious injury to their customers. It was a realization of this fact that led some of the leading banks of New York during the panicky days of the beginning of this month to take out clearing-house certificates as a means of providing more funds for the use of legitimate business. By thus standing in the breach, they saved themselves from the necessity of cutting off the supplies from many business concerns, and avoided precipitating a crisis that would have brought to the ground a great many otherwise solvent firms. We are doubtful, however, that the stringency reported here can be said to exist in legitimate business circles. If the banks are not loaning freely, it is mainly against those engaged in speculation. The funds of our institutions find active demand at the present time for the legitimate commercial requirements of the country. Judging from all reports, Canada is in a good condition financially and extremely prosperous; wholesale men in many sections report that collections from the country are above the average. The lessons of the Australian crisis are fresh