

LOANS ON THE SECURITY OF BANK STOCKS.

—The question is being asked whether under the new Banking Act, it will be possible for banks to make loans on the security of bank stocks. There is scarcely room for two opinions on the subject. From the list of stocks which may be acquired and held, as collateral security for bank loans, the stock of banks is, by the fifty-first section, specially excluded. It is, we think, perfectly plain that no loan can be made on the security of the stock of any bank, much less the stock of the bank making the loan. But though no loan can be made on the security of bank stock, the stock of any debtor can be held as security for a debt that has been incurred; the bank may prevent the transfer of such stock and may even sell it, after notice, to satisfy its debt. But the two things are quite distinct. It is one thing to make a loan on the security of the stock, and another thing to hold the stock as security for a loan, after it has become a debt; that is, we presume, after it has become due. The temptation may sometimes arise for a bank collusively to make a loan, on the understanding, half tacit, half expressed, that the stock shall stand as security. But it is plain that such an operation would be dangerous for the bank. If collusion could be proved, the bank would certainly have placed itself in the wrong. Besides, it could not hold the stock except to satisfy the debt; and there is no debt till the loan becomes due. The intention of the law is perfectly plain; and no bank ought to be a party to its evasion. The manifest danger of the transaction will probably prevent any bank from doing so, when the danger becomes patent.

—We gave last week the values of the leading Canadian imports from Great Britain this year compared with last; here are some of the quantities. An increase is observable all over the list:

	4 mos. 1880.	4 mos. 1879.
Cotton man'frs..	14,953,100 yds.	14,293,400 yds.
Linen "	3,611,700 "	2,687,900 "
Silk "	109,960 "	101,893 "
Woolen "	5,836,000 "	4,316,400 "
Carpets.....	503,600 "	464,700 "
Spirits.....	49,695 gals.	48,291 gals.
Salt.....	33,383 tons.	24,241 tons.
Seed Oil.....	260,128 gals.	212,878 gals.
Pig Iron.....	22,601 tons.	3,275 tons.
Railway Iron&Steel	12,527 "	2,920 "
All other iron.....	20,640 "	9,598 "
Tin Plates.....	2,575 "	1,384 "

BENEVOLENT LIFE ASSURANCE.

We have a letter from a correspondent who is anxious that we should throw some light on another Mutual Benefit humbug, known as the Ancient Order of United Workmen. This concern belongs to a species which we have frequently and thoroughly exposed in our columns. Like the rest of its genus, it makes great prom-

ises on paper, and offers strong inducements to enter its ranks. Such promises are sometimes made under the authority of men of prestige; men who would decline to have anything to do with a lottery or such a scheme, which might be the means of misleading or deceiving innocent people. Yet it is just men of this stamp whom the promoters of these shams endeavor to obtain as figureheads. And it is astonishing how they sometimes secure such men. We know persons who appear perfectly sane on all financial questions, except Life Insurance benefit schemes. They appear to be thoroughly imbued with the idea that regularly organized Insurance corporations are legally authorized extortionists. Such persons will say, and probably have been induced to believe, that Co-operative Societies offer the same indemnity to the insured, at about one third the cost, as ordinary Life Companies. The history of these co-operatives is that they are short lived at best, and were it not for the respectable and honest men they occasionally get hold of, they would soon be forgotten forever. But there are always people easily deluded. They depend upon the promises of others, which is the basis of the co-operative system, the entire source of revenue being an entrance fee, yearly assessment, and a contribution at the death of each member; while the regularly organized Life companies insist upon each member paying a stated premium, sufficient, on the average life, to equal the amount for which he is insured. This amount is diminished by dividing among the insured the profits derived from compound interest on the annual premiums, if the party insures on the "with profits system."

In some of the Western States, within a few years, too few, however, to test their stability, these bogus concerns have had enormous growth, and already a number of failures have occurred amongst them. This has resulted in the attention of some of the State Legislatures being attracted. We understand that Ohio has passed a bill which will have the effect of bringing these co-operatives under state supervision and control.

We require no better illustration of the career of the many Mutual Benefit schemes than is afforded by that of the Iowa Life Insurance Company, which was organized in March, 1874, in the town of Keokuk. This company began under the most favorable circumstances, and during the first three years made rapid progress, reaching at one time, in the year 1876, 6,298 policies. The following official figures, furnished to the Insurance department in Iowa, gives the total number of policies in force with this concern at the end of each year, showing how the membership of such showy schemes falls off:

Policies in force Dec. 31, 1874	.....	336
Policies in force Dec. 31, 1875	.....	1,253
Policies in force Dec. 31, 1876	.....	5,060
Policies in force Dec. 31, 1877	.....	1,009
Policies in force Dec. 31, 1878	.....	522
Policies in force Dec. 31, 1879	.....	457

In November, 1877, the officers issued a circular to their policy-holders, in which they stated that "over 700 have left the Company since September last, and that 6,000 in all have violated their contracts."

"Almost superhuman efforts have been made, says a New York Insurance Journal, to keep the company alive, but it has reached the average limit of duration of such companies, and will soon close its ephemeral existence. Death losses are coming more rapidly now among the members who joined in 1874 and 1875, as any student of life insurance could have foretold; and the losses among the young and vigorous policy holders are, consequently, more frequent, leaving the impaired lives to cling on as long as there is any hope left. And it will be seen, too, that the effort to get in "young blood" to supply the place of those dying is ineffectual. This is the "last ditch" of the co-operatives. Their claim that they can supply the place of those dying and lapsing with "young blood" is theoretical, but not practical."

Although it is claimed that these institutions are "benevolent," this is no reason why they should ignore the necessity of having some assets, surplus, or reserve, to meet death claims as they become due. We think it quite time that our legislators should give the subject their attention. Should they not compel these companies to have some regard for the principles of life insurance which have been so thoroughly tested? Experience has clearly shown to all who will take the pains to inform themselves on the subject, that it is absolutely needful for a sound insurance organization to have some substantial provision for the increasing burden of future years.

TO CORRESPONDENTS.

S. F., ST. CATHARINES.—No; nothing material. The apparent rise is occasioned by changing the quotations in the market report from the wine gallon to the imperial, which is now prescribed by law.

N. W., LONDON.—We have not overlooked your letter, but are making enquiries upon the subject.

McLAREN V.S., CANADA CENTRAL RAILWAY.—A new trial has been awarded the defendants by the Court of Common Pleas, in the suit of McLaren vs. The Canada Central Railway Company. It will be remembered that a verdict was given for the plaintiff by a York County Jury for \$150,000 damages, the injury complained of being the alleged destruction of a large quantity of lumber belonging to the plaintiff, by fire. This fire, the plaintiff contends, was caused by sparks from the engines of the Railway Company, whose track runs through the lumber yard. The judges are unanimously of opinion that the company did not receive justice at the jury's hands. They fail to see that the evidence establishes such negligence on the Company's part in providing against the possibility of embers escaping from their engines, as would make them liable, even if it were established that the fire was caused by that means. The evidence given appeared to the Court rather to establish the fact that the netting used by the Company was ordinarily sufficient for the purpose, rather than that it was dangerous and unfit for use, as the jury appear to have thought. The original trial lasted for more than a week, and