

if it came out of bank profits, it would mean that the whole burden fell upon the small body of bank stockholders; in other words, the few people in Chicago and elsewhere who hold the stock of the Chicago banks would be called upon to pay a tax equal to the whole amount of taxes now collected (the despatch stated that by the imposition of the tax the receipts would be doubled).

Bank deposits represent capital in one of its most liquid forms. It is one of the easiest things in the world to transfer them from one place to another. If they are taxed in one city they simply fly elsewhere, and that city is deprived of the benefits which it might have through the employment of the funds. Even if a tax were to be applied in a whole country the effect would be to drive deposits abroad. For example, if the United States people were silly enough to pass legislation in all the great cities and municipalities taxing bank deposits, it is safe to say that the Canadian banks would receive enormous amounts in American deposits, and our industries and trades would benefit at the expense of American industry and trade, through the increase in the discounting powers of our banks.

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#### SAN FRANCISCO.

Mr. G. R. Kearley has returned to Montreal, from San Francisco, where he spent three months assisting in adjusting the losses of the Union Assurance Society, and the Law Union & Crown, and gave the following information to a representative of THE CHRONICLE. The combined amount paid in claims by both companies up to September 15 last, was upwards of \$5,500,000 of which amount the Union contributed about two-thirds. Mr. Kearley and the majority of the other adjusters stayed at Oakland, which is about twenty minutes by steamer across the Bay from San Francisco.

Only about twelve or fifteen large modern structures in the devastated district withstood the earthquake and fire fairly well, owing to the construction being steel frames, reinforced by concrete. These buildings are capable of being repaired for occupation.

The burned area, which covers four square miles, is still filled with debris, and although the process of removing it is slow, it should all be removed in about a year.

The number of labourers procurable is insufficient to carry on the desired work, carpenters' wages are \$7 per day, masons in some cases \$6 per day, and ordinary labourers up to \$3 per day.

The principal residential quarter, Van Ness Avenue, is now being occupied by retail stores, pending the erection at a later date of suitable buildings in the burned area. Many of the dwellings have been converted into stores and offices.

Temporary frame buildings have also been erected for the wholesale and retail merchants.

A number of the inhabitants are still living under tents in the public parks, and the surrounding country. The people of San Francisco have a great love and veneration for their city, the future of which, Mr. Kearley thinks is bright, although many years will pass before it is substantially rebuilt. In the meantime, there is a large amount of business transacted, both wholesale and retail.

The fire companies are doing a conservative business. The present premium income of the companies is greatly increased by the prevailing high rates.

The companies have already paid claims to the extent of about \$130,000,000.

According to a report recently filed, the amount of San Francisco's taxable city property is \$376,138,737.

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#### THE VALORIZATION OF BRAZILIAN COFFEE.

A remarkable experiment is being tried by three of the principal coffee-growing States of Brazil; the object of which is officially described as the "valorization" of coffee; which means in plain English, to raise and to keep up the price of coffee. The legislatures of the States of San Paulo, Rio de Janeiro, and Minas Geraes have undertaken to maintain a minimum price for coffee, by purchases on account of those three States. A loan of \$75,000,000 has been authorized for this purpose; the interest is guaranteed by the afore mentioned States; and is to be provided for by a surtax on coffee exports. The proceeds of the loan are to be held in gold, against which will be issued paper money, convertible into gold, upon terms which are to be settled by an act of the Brazilian Congress. Thirteen well-known firms of bankers and coffee importers in London, New York and Hamburg, have undertaken to supply the capital and have already furnished enough money for the first shipment of 2,000,000 bags to be divided between the three cities named. The coffee is to be held until the end of 1907, and meanwhile the States are to renew for two years from January 1, 1907, existing laws which prohibit any extension of the coffee-growing acreage. Provision is also made for holding the coffee as security for the loan. During the first year, the minimum price in the home market is to be from 32 milreis (\$16.96) to 35 milreis (\$18.55) per bag of 60 kilos—about 132 pounds. The tax which is subject to alteration, according to the condition of the foreign markets will start at three francs (sixty cents) a bag.

The essence of the valorization plan is to save the planters from the natural results of overproduction; by means of State aid to prevent the sur-