

as for \$500. The judgment is quite lengthy, but its pith is, the decision that the charge of negligence made against the Bank of Hamilton for marking a cheque which was in a condition to be so easily raised was not a sufficient ground for placing upon it responsibility for the over-payment unconsciously made by the Imperial Bank. The Court also set aside the plea that the Bank of Hamilton was in fault in not discovering the fraud earlier or in paying a raised cheque without any reference being made to the drawer's account. The Court affirmed that as the cheque was already marked good there was no negligence in paying it without reference to the account on which it was drawn. As the Bank of Hamilton was decided not to be culpable for paying the cheque through the Clearing House nor culpable for paying it without a reference being made to the drawer's account, it was held to have incurred no responsibility for neglect by not advising the Imperial Bank until the day following payment of the cheque, which day, according to usage, was the earliest date in which such a fraud would be sure to be discovered.

The principal lesson taught by this case is the danger of drawing cheques in such a way as to offer opportunities for raising their amount by insertions or alterations. Writing the amount of a cheque across it in red ink is an excellent precaution.

**IMPORTERS' AND TRADERS' INSURANCE COMPANY OF NEW YORK.**

Under the above title a fire insurance company is being organized in New York which has drawn upon its projectors some scathing criticism. Circulars have been received in this city from the chairman of the Board of Incorporators of this new company, one passage in which reads:

"The sole object of this letter and its enclosures is to invite you to become one of the applicants for insurance, which will only become binding when the company has secured \$5,500,000 in capital, surplus and premiums as provided for. This will require the co operation of about 2,000 houses, of which more than 1,000 have signified their desire to do so."

The circular states that the capital stock of \$2,000,000 will be issued at 150, which is a remarkable price to pay for the stock of an entirely new venture. The stockholders are promised 25 per cent. of the net profits in lieu of fixed dividends, and the remaining 75 per cent. will go to the policyholders. The circular reads

"This makes it certain that in each and every year the policyholders will receive three times as much of the profits as the stockholders."

If the stockholders take one-fourth of the profits and the policyholders the remaining three-fourths out of what funds will a reserve be built up?

The expense amount is stated to be "guaranteed and properly secured at 15 per cent. as against a direct tax of 45 per cent. under the general system." The circular fails, however, to disclose the plan of guaranteeing and securing that the expense account shall not exceed "15 per cent." The circulars also state that the loss ratio will be 45 per cent. of premiums. Here also is an opening for explanation. How do the promoters of the Importers' and Traders' Insurance Company know, or, what grounds have they for confidently estimating that their fire losses in a series of years will average only 45 per cent? While guessing they might as well have put the estimated fire loss at 25 per cent., or at nothing at all. As to the expense account being guaranteed to be only 15 per cent., which is less than half the average, the assertion can be believed by those who think proper to accept statements contrary to all experience, as well as unsupported by evidence. The statement of estimated profits for second year reads as follows:—

New premiums and renewals should amount to.....		\$5,000,000
15 per cent. Expense account.....	\$750,000	
28.674 per cent. Loss ratio.....	1,433,000	
	<u>2,183,700</u>	
56.326 per cent. profit on \$5,000,000...		\$2,816,300
Add interest on accumulated funds say \$7,500,000 at 3 per cent.....		<u>225,000</u>
		\$3,041,300
Deduct, Dividend on Scrip \$1,179,862.50		<u>70,791 75</u>
		\$2,970,508 25
Net Earnings second year.....		\$2,970,508 25
25 per cent. to Stockholders.....	\$ 742,627 06	
75 per cent. to Policyholders.....	2,227,881 19	
		<u>\$2,970,508 25</u>

We should regard it as a reflection upon the intelligence of our readers were we to doubt their ability to see through so very diaphanous a project, which our contemporary, "The Vigilant," dubs a "confidence game."

**NOTRE DAME STREET FIRE.**

Zero weather usually brings a serious fire in this, as in other cities, owing to the overheating of stoves and furnaces. At 9.30 a.m. on the morning of 9th inst., a fire was found to be spreading through the upper portion of a building on Notre Dame street, near the City Hall. The temperature was 20 below zero. so the difficulties of the firemen can be imagined; the water froze instantly on touching the building, the ladders and hose and men were coated with ice, the men's gloves had to be discarded as they were freezing into a solid lump. The building is an old one, built before the days of fire-proof wood. The occupants of the building were Messrs. Martin, dry goods store, J. V. Boudrias, coffee and spices, and several advocates. The loss is estimated at \$40,000, covered to a large extent by insurance.