

The Insurance & Finance Chronicle.

Vol. XVII.

MONTREAL, AUGUST 1, 1897.

No. 15

THE Insurance and Finance Chronicle

Published on the 1st and 15th of each month.

AT 151 ST. JAMES ST., MONTREAL.

R. WILSON SMITH, Proprietor.

Annual Subscription (in Advance) \$2.00
Prices for Advertisements on application

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

Bankers' Journal. The Journal of the Canadian Bankers' Association for July contains the index to volume IV. The "Early History of Canadian Banking" is continued in this issue, in which the author announces that the subject will be concluded in the next paper. Mr. R. Gill, of Ottawa, contributes an elaborate article on Post Office Savings Banks, in the earlier part of which he gives a sketchy history of the savings banks of the old country. The writer alludes to "several grave cases of dishonest accounting in Trustee Savings Banks," coming to light in the later 50's. One of the worst cases occurred later than that decade, which led to the Rector of an English town being committed to the penitentiary for a long term of years, and the death from mortification and grief of another clergyman who had signed the weekly returns for years without ever seeing the books. The scandal excited great interest as the culprit was tempted into his crime by the burthen of a debt of some £20,000 incurred in securing his election to the Rectory which was in the gift of the people. Mr. Gill gives the sum of \$489,350,000 as the amount standing at credit of depositors in British Post Office Savings Banks at close of 1895, the average of each account being \$75. "The funds of the English Post Office Savings Bank go to the National Debt Commissioners for investment in government stock for account of the Post Office Savings Bank Fund, thus the debt of the country is not increased by the deposits made, as is the case in Canada." The high price of Consols is largely owing to the purchases of these national securities for P. O. Savings Bank investment. In Feb'y. last the Chancellor of the Exchequer was compelled to ask a grant in aid of these Banks as the interest paid on deposits was more than the

money earned. It is a remarkable proof of the confidence of the Scotch in their own banks that they have used the Government Savings Banks to only a small extent, the depositors being almost confined to the poorest classes as is shown by Scotch deposits averaging only \$45, compared with \$70 in England and Wales, and \$91 in Ireland. The paper treats also of the continental Savings Banks, and those of the United States and Canada to which we may have an opportunity of making a more extended reference. The Magazine has a valuable synopsis of legal decisions affecting bankers, with replies to questions bearing on banking law. The whole of the July number is highly interesting, and reflects credit on Messrs. Plummer, Henderson and Hay, the Editing Committee.

A Tax on Underground Premiums.

The Report of the Insurance Commissioner of Minnesota contains a list of 60 firms who have placed fire insurance with companies not authorized to do business in that State. These persons are warned that "in case of loss," the insured would be practically prohibited from enforcing payment, as service on the companies could not be secured in Minnesota." There are said to be a number of insurers who have not reported the amount of premiums paid to unauthorized companies, who are to be looked after. The fact of such insurance is concealed in order to avoid a tax of two per cent. on the premiums paid to unauthorized companies. If the patrons of undergoing fire insurance companies were compelled to pay two per cent. on the premiums as a Provincial or Federal tax, they could not justly complain, though to tax what is against the law has the appearance of a license to break it.

Report on Massachusetts' Benefit.

The Commission appointed to examine and report on the Massachusetts' Benefit Association has sent in its report to the Governor. It is a gruesome document. The policies prior to 1890 are declared never to have paid their share, and they will have to be frozen out or repudiated unless they are willing to pay extra and increased assessments. The books are stated to show a deficit in one account of \$36,000, which cannot be