

If it can be realized—and we think it can be—that instead of the rich getting richer, and the poor becoming poorer, the poor are becoming less poor, and the rich becoming vastly less rich, a solution may be found of a most complex problem seriously affecting the prosperity of great masses of people. That the decline in values has more seriously affected the rich than the poor, is undoubted; for the shrinkage among the wealthy has been proportionately greater."

THE TRADERS' BANK AGAIN.

The communication from Mr. Robert Armour in our issue of last week, is a matter of more than private interest. It is an *expose* of the manner in which charters for joint stock companies are sometimes manipulated. The matter is therefore public, and deserves more than a mere passing notice. It has been somewhat of a mystery to many how it came to pass that such a number of the inhabitants of a small town like Bowmanville, became possessed of the ambition to found another joint stock bank. For this surprise there were two reasons. To begin with, there seemed to be no call for the establishment of a new institution of the kind in that town or neighborhood. But what is more important still, the people of that locality have had experience in that direction already, and had 'burned their fingers' sorely by it. But now the mystery is explained. A legal gentleman comes from behind the scenes, and tells us all about it. He was not one of the petitioners for the Charter. There was no hint whatever in the application to Parliament that the affair was not *bona fide*. Parliament doubtless supposed that these respectable Bowmanville gentlemen were desirous of establishing a Bank and had the means to put into it. But this it now turns out was all a delusion.

Mr. Armour comes forward and with a coolness which is most surprising, tells us that the petitioners had no interest in the matter whatever. Here is his own language: "*My Bowmanville friends who allowed their names to be used in this way had no interest in the matter, and cared nothing for it except to oblige me.*" Very good. The public now knows that the affair had a rotten foundation.

Were we not right when we spoke of the whole affair as a sham? Is not this a case of getting an Act of Parliament by false pretences? And will any person with a grain of sense lend himself to the carrying on of a deception which has been begun, and is now so unblushingly confessed? We should think not, in spite of all the brag-gadocio indulged in by the promoters of so precious a scheme. This legal gentleman from Bowmanville boasts of two parties, both of whom were willing to put their names down in a subscription book and both willing to assume the honors of a Directorship. One of them, indeed, was in such a hurry that he could not even wait to write or even to telegraph. He must telephone forsooth! The putting down a name for \$50,000 by one person on the authority of another, received by telephone, would scarcely be binding. Is it certain that these parties would be as ready to put money down, as to put their names down? It is easy ever for irresponsible people to write their names. When a man is not responsible to

begin with, it is just as easy to sign \$50,000 after his name as \$5,000, or \$500, for that matter. Such decoy ducks are not at all particular about the amount. We know very well however that names whispered through a telephone are not bank capital. Nothing but solid money will do for that. Would the whisper conjure up the \$50,000 in cash?

Mr. Armour's reference to banks in Toronto that were gotten up in Bowmanville is a very unfortunate one. It was surely a thoughtless blunder in him to remind people that a million or two of money has been lost already in this kind of ventures. That is surely enough. Burnt children dread the fire. And Parliament will doubtless remember how the Traders' Bank charter was got.

LIFE INSURANCE EXPENSES.

A correspondent writes urging the propriety of maintaining a close watch over the expense-ratio of life insurance companies, and deprecating any abandonment of the column in our annual chart showing the position of leading Canadian companies. We desire not to be misunderstood as to the utility and proper use of the column which appeared in our recent Chart, showing the ratio of expenses to income of the different companies. Such a column appears in all the charts issued for the guidance of the public. It is liable to be misunderstood, and, as we have stated, no really fair comparison of companies can be made on that basis, without some allowance for the greater expense of procuring new premiums than of collecting old ones. It is pretty well known that it is a severe test upon young companies, if some allowance be not made for the larger proportionate old business of the senior companies; but not so well known that it is almost equally inexact as to old companies which have a large amount of insurance free of premiums, and also have a large volume of assets to care for.

But notwithstanding the fact of its not being a precise measure of the economy or otherwise of all companies, however situated, the column of ratio of expense to income serves a useful purpose. It is time enough to discard an old servant when a better one can be had. Very few things in this world, of human construction, are perfect. We have sometimes to choose the best out of several, but it has not yet been shewn that any single column can be given in a chart calculated to prove more useful to the public than the expense ratio. Others have been suggested, but nowhere adopted by any insurance commissioner or chart-publisher. Take this away, and no ready means is available to warn the public against entrusting hard-earned money to an agent of the most extravagantly conducted company in the country. By its means the public has been saved, in the past, from investing in unsound institutions, all over the continent, and carefulness in management of trust funds has been greatly promoted.

Glancing over a chart of American companies, of 1876, we note the names of ten companies which do not appear in the charts of 1888. Every one of the ten is shewn by the chart to have been indulging in a high

ratio of expense, the whole averaging \$24.33 out of each \$100 of receipts. Those who continued to put confidence in these lost a large share of their money, while those who trusted the ten having the lowest average ratio of expenses have had their confidence fully justified. Not only are the latter still mentioned in the insurance reports, but their assets, for the protection of their members, are increased from \$286,000,000 to more than \$372,000,000 during the seven years since 1876. The expense ratios of the ten ranged from \$6.70 per \$100 up to \$12.37, averaging \$9.69, while the corresponding ratios for the ten which have gone out of business were \$17.15 and \$41.70, averaging \$24.33 per \$100 of income, as already stated.

An applicant for \$100,000 of life insurance in the year 1877 who chose the ten companies shewing the most economical management by the ratio of expense to income column, imperfect a rule as it is, could have no fault to find, to-day, with his selection. On the other hand, had he chosen from among the remaining thirty-six companies summarized in the "Policy holders' Pocket Index" of that year, he would have been grievously disappointed.

We think, therefore, that there is sufficient reason for continuing that portion of our chart which affords some, though confessedly not perfect or complete information, as to the expenses of the companies viewed in their relation to the gross income.

THE TRADE OF WINNIPEG.

It is of especial interest just now to observe the statistics of Winnipeg trade for the year which has ended. First of all we observe the marked increase in exports. Compared with 1883 these are almost doubled. The total value is \$1,049,027 as compared with \$584,019 in the previous year. This means, of course, shipments of grain—Manitoba wheat.

The following statement shows the amount of exports each month for the two years 1883 and 1884:—

Month.	1883. Value.	1884. Value.
January.....	\$ 2,089	\$ 29,842
February	15,292	95,017
March	7,316	10,288
April	94,397	16,765
May	4,851	8,797
June	30,229	50,162
July	15,726	9,141
August	83,870	251,874
September.....	125,261	90,153
October	154,101	300,235
November.....	42,018	106,258
December	18,899	80,000

Total\$584,049 \$1,049,026

When first the Canadian Customs Department established, in 1872, an office at Winnipeg, the receipts for twelve months were only \$47,840. In ten year's time they had grown to \$1,585,000, which was the total of duty for the year 1882, an unusual amount, it is true, for in 1881 they were only \$651,000, but even this was a great bound from \$316,000 in the year immediately preceding and \$171,000 in 1875.

Figures relating to the Inland Revenue at the port of Winnipeg are given at the close of the year. The decline in 1884 is marked; we compare: