

by our leading general managers and the Dominion Government.

Under the Scotch Bank Act the banks in that country have an authorized issue of notes to the extent of what their average circulation was in 1845. If they require to issue notes beyond the amount fixed at that time, they are obliged to keep an equal sum in gold. They may thus issue notes up to any amount the public may require, provided the necessary amount of gold is held against such excess of issue.

The Scotch banks are very strong institutions, and it is generally conceded that their system is the best and safest in the world. There have been no bank failures in Scotland since the City of Glasgow Bank crash some thirty years ago.

To intelligent men does it not appear ridiculous that a bank—for example the Bank of Montreal—should have to cease issuing further notes the moment its issue equalled its paid-up capital, although it might have assets amounting to one hundred and seventy millions of dollars? I think changes should be effected in the Bank Act so as to allow banks to issue say up to their paid-up capital. Against anything over and above that amount they should hold gold coin or gold bullion or Dominion Government notes. Under some such system, no bank would have its circulation suddenly cut off, but could issue as many notes as the business of the country required.

A. W. More.

Victoria, B. C., Jan. 27th, 1907.

#### PERSONAL NOTES.

Hon. T. Nosse, Japanese Consul-General for Canada, reached Montreal on Tuesday evening from Ottawa.

Mr. William S. Gray has been appointed manager of the branch of the Dominion Bank at Regina, Sask.

Mr. E. Edwards, of Liverpool, assistant to the European manager of the Canadian Pacific, is making a flying business visit to Montreal.

Mr. G. Murphy, accountant of the Mount Forest branch of the Sovereign Bank has been appointed manager of the Stanstead branch of the bank.

Mr. W. McNab, assistant engineer of the Grand Trunk Railway, has been selected as the next vice-president of the American Railway Engineering and Maintenance of the Way Association.

Mr. H. H. Loosemore, who for the past twenty years has been connected with the Standard Bank of Canada, has assumed the managership of the Union Trust Company, Limited, Toronto.

Mr. John Macdonald, of John Macdonald & Co., wholesale dry goods merchants, Toronto, has been elected a director of the Confederation Life Association in place of the Hon. Sir W. P. Howland, deceased.

The many friends of Mr. G. H. Allen, manager for the Province of Quebec of the Mutual Life Assurance Company of Canada, will be pleased to hear that he has now fully recovered from his serious illness and is able to attend to business.

Mr. D. G. T. Ross, who has been with the Mutual Life of Canada in Winnipeg, has taken the position of provincial manager of the Dominion Life Insurance Company, for Winnipeg. Mr. Ross is an energetic insurance man and is well known in Winnipeg and the West.

Mr. C. L. Nelles has been appointed manager of the Guelph Branch of the Metropolitan Bank. Mr. A. E. Melish, the former manager, will be transferred to Petrolia, succeeding Mr. W. F. Chatterton, who goes to the new branch in Cobourg, Ont.

Mr. C. G. Norris, formerly of Detroit and Chicago, is the latest addition to the staff of the Annuity Company of Canada, Toronto office. Mr. Norris has met with considerable success in insurance work in the United States, having made several record runs, and should have success in his present good proposition.

After the business of the first annual meeting of the Sovereign Fire Assurance Company of Canada had been transacted the other day, the president, Mr. Addison H. Hoover, in recognition of his efforts in advancing the interests of the Sovereign Fire Assurance Company of Canada, was presented with a magnificent chest of silver by the shareholders.

No notice in any other journal can we esteem as highly as the one in your valued paper. To our mind the Monetary Times stands in the same position in Canada as the Commercial and Financial Chronicle in New York. Our relations in the past have been, we are pleased to say, more than cordial, and we trust in the future they will remain so.—A leading financial firm of Canada.

## The Insurance Chronicle

### RESERVES IN FIRE INSURANCE.

"Fire Insurance follows Commerce," said a Canadian underwriter the other day. Confidence in Fire Insurance follows Strength, is quite as worthy of adoption as an axiom. From the days of the great fire in Chicago to the latest disasters on the Pacific, confidence in British fire underwriting concerns has persisted on this continent. When a host of Chicago people were left high-and-dry because of the failure of sundry American companies after the big fire of 1871, those who were insured in British companies got their money. The same thing happened when Boston was devastated in 1872. The effect of such full payment was an enormous increase of business for British companies in the rebuilt Chicago, and in many other American cities. The Britishers had paid-up promptly.

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The secret of the ability of old and well-known fire insurance companies; British, Canadian, or other, to pay off-hand enormous sums, is the provision of reserves against such unlikely but still possible conflagration losses. These reserves were obtained certainly not by squeezing down fire premiums to a point which would yield merely enough to pay losses and expenses, and a small dividend. This is what some people consider the proper and economical thing. They were obtained by charging rates and by insisting on terms of contract that would enable slow and steady accumulation of funds for exceptional disasters. A single British company, the Liverpool and London and Globe, has paid since 1866 in connection with conflagration in the United States alone no less than \$10,540,000, as follows:—Chicago, 1871, \$3,240,000; Boston, 1872, \$1,425,000; Jacksonville, 1901, \$305,000; Baltimore, 1904, \$1,050,000; San Francisco, 1906, \$4,520,000. The total funds of this company were a year ago \$10,386,000. After providing for life and annuity obligations, fire re-insurance fund, and capital paid in, there is a general reserve fund of \$7,000,000, which is an asset over and above everything the law requires to be provided. This \$7,000,000 may properly be called a conflagration reserve, and is properly kept apart from all else. The balance-sheets of many other British or other substantial companies show similar accretions. Instead of their large surplus assets being regarded, as they are by many, as the fruit of needless exactions from insureds, they should really be considered the safeguard of commercial communities the world over.

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It is stated that legislation, based upon the report of the Insurance Commission, will not be attempted this session. Among the reasons given by friends of the Government for the delay, is the fact that the Premier, the Minister of Justice, and probably two other ministers have to leave for the Colonial Conference in London in April. Perhaps it is better that the matter should be postponed rather than any hasty measures for improving the insurance situation should be put through at the end of the session. The belated report will be found to be voluminous in the extreme.

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It was not to be expected that 1906 would prove a satisfactory year for the companies in the matter of new life risks on this continent, even although commercial and financial activity have been exceptional. The results of investigation into wasteful methods of large companies in the United States caused many people to believe that the whole system of life assurance was unsound. The fact that Canadian companies were being officially examined had a prejudicial effect. This was shown in the unusual proportion of lapses sustained by companies generally, and especially

ally by the newer ones. So many inquiries made and managers as to "probably be found the force has not been in that the calmer sense the general soundness and Great Britain, the ordinary life business increase. As regards growth in receipts is the Prudential assets sufficient evidence of company.

#### FIRE

The Waterloo Mutual a satisfactory year's business last week.

A London despatch in Jamaica effected through about \$7,500,000.

This year's estimate call for \$305,094. The being \$20,506 less.

The Fireman's Fund cisco, is to be reorganized \$1,000,000 to \$1,600,000.

The Rochester Germania sent in Toronto by M. Muntz is inspector for C.

The Atlas Assurance has decided to open a general land with Messrs. Hyndman agents.

The Hartford Fire has The reinsurance reserve is \$515,000 greater, which that \$13,000,000 losses were in San Francisco.

Halifax has ordered land, which has some gallons; it is stoked from will raise 100 pounds sterling price was \$5,330.

Mr. W. E. Fudger has director of the Ontario quarters in Toronto. The New Brunswickers, led John. Of the capital been subscribed \$325,000.

Here is a new fire counters which are not fire occurred in a department was discovered under a was found to fill several by mice gnawing matches.

The city engineer that the consumption of last was one-fifth more that the present engine enough for summer increase the by-law for electric not carried.

That oldest of British issued its statement of assets, reserve, and \$3,356,754, while the \$2,317,958, and the surplus Office is conspicuous by its institutions for its strength.

The report for 1906 of Brooklyn, which shows on January 1st surplus. The assets are mium fund, \$5,290,103, exhibit will be very grat