

DOMINION GOVERNMENT LOANS.

An interesting statement was given in the House last week by the Minister of Finance, as to the way in which Dominion Government loans falling due within the last year had been dealt with, and also as to what parts of Canada's debt would become due in 1908. Mr. Fielding said that the portions of the debt of Canada which had fallen due since the 31st of October, 1906, were as follows: Four per cent. loan, 1876, due November 1, 1906, for £2,500,000, against which a sinking fund to the amount of £658,807 was held, leaving a balance of £1,841,132 to be provided for. The whole was redeemed. Three and a half per cent. currency debentures for \$500,000, originally issued the 1st of December, 1891, maturing the 1st of December, 1906, were paid off on presentation. Four per cent. loan of 1874, extended to 1st of May, 1907, for £1,926,654, was renewed through underwriting, as in the case of the previous extension, at the same rate of interest for a period of four years, with the option until April 30, 1910, of converting into Dominion Government three per cent. stock, due 1938, at a rate of £105 of three per cents for each £100 of four per cent.

The portions of the debt falling due during 1908 were detailed as follows:—Four per cent. Intercolonial Railway guarantee loan, £1,500,000, maturing April 1, against which the Government held a sinking fund of £1,197,915, leaving £302,085 to be provided. Four per cent. loan of 1878, of £4,500,000, maturing the 1st of November, against which the Government held a sinking fund of £1,090,979, leaving £4,409,021 to be provided. Arrangements as to payment had been the subject of communication with the financial agents in London. In view of the unfavourable condition of the money market it had not been deemed expedient to make any definite arrangement at present. The subject was reported as receiving every consideration.

As to recently contracted loans and overdrafts it was stated that since July 1, 1906, the Government had borrowed as follows:—£250,000 on November 1, 1906, on the security of treasury bills, at 4½ p.c. for six months through the Bank of Montreal, London. These bills were redeemed May 1st last. A temporary loan of £500,000 on August 17, 1907, on the security of treasury bills, at 4½ p.c. for one year through the Bank of Montreal, London. The point was mentioned that there were no overdrafts in the banks in Canada. The Government account with the Bank of Montreal, London, its financial agent, had been overdrawn on current account from time to time, as usual, and such overdrafts had been covered in due course by treasury bills. According to the last account received, the overdraft in London was £301,619. The arrangement as to overdrafts was that they bore the current Bank of England rate.

Since the foregoing statement was made in the House, a London despatch announces that arrangements have been made for a Dominion Government loan of £1,500,000, consisting of five-year, 4 p.c. bonds, to be issued at par.

THE WINNIPEG CONVENTION of the Union of Manitoba Municipalities recently endorsed provincial hail insurance. Experience may teach.

FIRE INSURANCE LEGISLATION AND TAXATION.**British Conditions and those of other Countries Compared.**

The Insurance Institute of London has published in attractive form the inaugural address of its well-known President, Mr. G. C. Morant, manager of the fire department, Commercial Union Assurance Company. The pamphlet is concerned with an historical survey and a present day outlook over the whole fire insurance field, and among the matters interestingly dwelt upon are those of legislation and taxation. From this part of the address the following may be quoted:

In Great Britain fire insurance companies are not at the present time subject to any special legislation, unless at the same time they carry on the business of life insurance, in which case the accounts of both departments must be published in accordance with the requirements of the Life Assurance Companies Act, 1870; but in the matter of taxation, fire insurance was for many years seriously handicapped by the Stamp Duty levied upon all policies. The great fire of London, to which I have already several times referred, occurred in 1666, and the earliest known society undertaking the business of fire insurance was established in 1681. In 1694 a stamp duty was levied upon all policies of fire insurance, and at the beginning of the last century the charge stood at 2s per cent., but was afterwards increased to 2s. 6d. and 3s. (in 1816), at which figure it stood until 1864, when it was reduced, and it was ultimately rescinded in 1869.

The only excuse which could possibly be made for such a tax upon thrift was that it produced a good round figure, and being payable in the first instance by companies, was collected with comparative ease; but it was undoubtedly most prejudicial to the progress of the business, as is shown by the fact that since its remission the business of fire insurance in this country has materially increased. It is true that agricultural produce was exempt from duty, but it fell very heavily upon property generally; and I have before me as I write a policy issued in 1841 on household furniture for £600, the premium being 12s. and the duty 18s. The duty was, of course, paid by the insured, so that practically the charge for the insurance worked out at 5s. per cent. As you all know, the stamp duty on fire policies in this country is at the present time only one penny upon each policy, whatever the amount insured; but in various Continental countries much heavier charges are levied, into the details of which time does not admit of my entering.

Legislation abroad, however, as far as companies foreign to the country are concerned, usually takes the form of a Deposit Act, and thus in the United States, Canada, Cape Colony, Natal, the Transvaal and Orange River Colonies, New Zealand, Mexico, Cuba, Brazil, The Argentine Republic, Austria, Italy, Germany, Spain, Sweden, Switzerland, and even Japan, all companies have to put up deposits more or less substantial and to comply with innumerable formalities, many of them unnecessary and vexatious. But in the majority of cases most of the British offices have met these requirements, and only two countries