

liabilities, which is twelve per cent. less than last year and less than any year since 1892. The percentage of assets for several years is shown in the following table:

	Number failures.	Actual assets.	Liabilities.	Per cent. Assets to Liabilities.
1898.....	8,855	\$52,742,809	\$102,197,887	51
1897.....	9,833	65,454,923	118,484,659	55
1896.....	11,280	99,613,765	171,350,292	58
1895.....	9,299	61,162,107	109,756,723	56
1894.....	9,261	59,707,031	110,674,934	54
1893.....	11,140	227,373,231	327,275,109	70
1892.....	7,378	39,209,701	76,971,771	51
1891.....	8,866	71,811,320	138,811,510	51

This showing is encouraging, because it indicates an improved condition of mercantile affairs. Since 1892 indeed, "the year of good business" that Americans like to look back to as the one preceding the panic year, there has been no such favorable showing in this particular. The other indications are of a corresponding kind. Railway earnings show an advance of five per cent. on the month, and business in iron, especially for construction work, railway cars and rails is heavy. Export trade is extremely active and money is easily and cheaply obtained. The clearing house exchanges, last month, while not larger than in the previous September, are 14 per cent. greater than in September, 1892. Manufactures in shoes, leather and lumber are active; the wool trade temporarily stagnant and the price of cotton unusually low.

CAPITAL OFFERED AND APPLIED IN BRITAIN.

For some three months past applications for new capital have not been very active, but the aggregate, which is £37,705,000 sterling, exceeds that of the same period in 1897. There was very marked and unusual activity in industrial company promotion for the first half of the year, which continued with but little interruption throughout the current year. But it practically ceased with July. The total amount offered for public subscription in the September quarter includes several Government, corporation, and railway issues of large amount. Taking the capital applications for nine months, however, they amount to £123,916,000, which is greater than last year, same period, by £15,780,000. Analysis of the business represented by this aggregate is made by the London Economist, which shows that foreign and colonial Government loans, British railways, breweries, distilleries and mercantile or manufacturing companies absorbed more than half. We condense the table thus:

	Nine Months, 1899.
Foreign Government loans	£24,103 400
Indian and colonial Government loans.....	10,136,000
British and municipal county loans	6,382,200
Colonial and foreign corporations	1,683,400
British railways	10,418,400
Indian and colonial railways	2,673,000
Foreign railways.....	9,548,000
Mining companies—	
Australasian	750,000
South African.....	1,684,500
Canadian, Klondyke, etc.....	977,700
Exploration and financial.....	1,138,000
Breweries and distilleries	15,081,900
Merchants and manufacturing businesses	11,614,100
Stores and trading.....	4,969,500
Estate companies	2,922 300
Electric lighting, power, etc.	1,588,200

The only foreign loan issued during the quarter was a Dutch issue for the equivalent of £4,673,363, which was probably taken up chiefly in Holland. Railways figure for a total amount of just over £6,000,000, of which more than one-third was raised by railways in the United Kingdom. The greater part of this consisted of Caledonian Ordinary

Stock. The manufacturing and stores and trading groups contain no very notable promotions, being made up for the most part of very small items.

BANKING IN SCHOOL.

Our brief objections to teaching banking in the common schools have brought out several comments, in the main favorable to our contention that "the place for a lad to learn banking is in a bank." We do not reproduce them, not thinking it necessary. But a letter from Winnipeg in to-day's issue shows that the newspapers of that city—from which our information was derived—had been in error in stating that a banker of that city recommended the teaching of banking in the common schools. His proposal was that some simple, practical instruction with regard to banks, their uses, functions, etc., should be given to the senior pupils taking the commercial course in the Winnipeg Collegiate Institute. That idea was suggested to him from reading an article in THE MONETARY TIMES of 18th May last. And he disapproves, as we do, of much of the higher education given in the schools.

FIRE INSURANCE IN CANADA.

Judging from the recent launching of several fire insurance companies in Ontario and the projecting of others, capital is again showing more disposition to venture into fire underwriting. Seeing that the earning power of money has so greatly shrunk compared with former times it is not wonderful that people should be looking about for avenues of investment which promise larger returns, and doubtless these subscribers have somehow been persuaded that solid profits reside in the business. To be sure, fire insurance, properly done, can be made profitable. We see this in the experience of other countries, but it would not be safe for Canadian fire underwriters to pattern their procedure exactly after that of other nations. Our conditions, as a new country and so largely a "wooden" country, are not the same.

There are one or two important points in connection with the subject which it is always well to bear in mind. Long experience has shown the extreme value of adequate rates and proper reserves in fire insurance. Indeed these are interdependent, for you cannot accumulate adequate reserves unless your premiums are sufficient. Many young companies commit the error of cutting rates, some for the sake of getting a foot-hold, others to popularize themselves and get a big volume of business. That this is a mistake cannot be too often affirmed. It has rarely if ever been justified by past experience.

Again, no amount of capital subscribed, no list of particular names on a board, no devotion to a special locality or character of risk will ensure the success, in the long run, of a company which, through inexperience or ignorance, violates fundamental principles. The Isolated Risk Company was considered to be safe to succeed because it wrote only non-hazardous, isolated risks. The rates were inadequate however, and the company succumbed. The Stadacona was formed in Quebec under the prestige of prominent people, and was supposed to have a great "pull" in religious and educational circles, but it did not succeed. The like is true of other concerns which have come and gone. It should never be forgotten that it is the money paid in for premiums that pays fire losses and not the money of shareholders.

It may be instructive to those who regard present rates of insurance as too high to recall the experience of groups of companies in Canada. Taking the Ottawa Blue