

INVESTIGATING CANADA'S FIRE WASTE.

The announcement is now made that the Commission of Conservation has decided to conduct an exhaustive investigation into the subject of the existing fire waste of Canada and for that purpose has secured the services of Mr. J. Grove Smith, of the Canadian Fire Underwriters' Association. The announcement is a welcome one as an earnest that the Commission is at length to grapple seriously with a matter which it appears to have been dabbled with for some time hitherto without producing any marked results.

The investigation has been placed in capable and efficient hands and we may be perhaps permitted to express the hope that those in charge of it will be so supported that practical results will be achieved as a result of it. The mere addition of another fat volume to the literature of the subject is not wanted. However interesting the discussion of the causes and extent of the fire loss and of the present means for combatting it, the labour involved in the investigation will be almost wholly wasted unless the practical remedies for the improvement of the present condition of affairs which will be presented as the necessary sequel to this discussion are taken up and vigorously converted into action by those in authority. In short, an indication that the Commission of Conservation does not propose to stop short at investigating but to push forward necessary action subsequently in leadership of and collaboration with all others who are able and willing to lend a hand would be appreciated.

SIZE, SAFETY AND PROFITS.

Although the fallacy that the larger and more extended the scale of business operations the greater the profit, has proved fatal to not a few fire insurance companies, it still finds adherents among fire insurance managers. It is true that a company requires scope enough to secure a fair average of risks safely dispersed, and a business and premium income large enough to make any one risk very inconsiderable as compared with the whole. But under present circumstances in the fire insurance field, it is impossible to build up a large premium income rapidly except by taking business of poor quality that, sooner or later, is bound to affect the loss ratio to an extent that means not simply diminution of profits but serious losses. Only by a thorough conservatism of policy, aided by strict supervision of agents by the responsible officers can a small fire company now hope to achieve permanent and secure success. The way of a rapidly expanding business is the road that leads to destruction.

The Bank of England yesterday continued its official rate of discount at 5 per cent.

THE JULY BANK STATEMENT.

The July bank statement published yesterday shows a sharp reduction in demand deposits of over \$8,000,000, from \$349,057,351 to \$340,950,215. This decrease is, however, almost completely offset by a rise in notice deposits from \$683,761,432 to \$691,731,719, within about \$150,000 of the record high level which these deposits reached at the end of May. Foreign deposits, after increasing \$15,330,457 in June to \$112,242,504, subsided last month to \$98,762,226, the violent fluctuations in this item possibly being accounted for by special arrangements in connection with the war equipment and supply business as well as to a certain extent by the movement of funds incidental to the large interest payments due on July 1st.

Circulation increased from \$99,625,426 at the end of June to \$100,412,424 at the end of July. From the loan accounts it appears that an arrangement was made to loan the Dominion Government a further \$5,000,000 during July, the total of these loans being now \$10,000,000. Home call loans were reduced by nearly 2½ millions to \$71,168,233, and foreign call loans by nearly \$6,700,000 to \$117,821,174. Current loans and discounts show a further decrease of nearly \$1,600,000 to \$758,349,517, and current loans abroad are up by \$2,500,000 to \$41,784,633.

THE PROPOSED BANK AMALGAMATION.

With regard to the tentative proposals for the amalgamation of the Royal Bank and the Bank of Hamilton, which were placed before him, the Minister of Finance, Hon. W. T. White, states that after giving the matter very careful consideration he has reached the conclusion that as both the banks in question are strong, favorably known and well-established institutions, and are actual and potential competitive factors in the Canadian banking field, it would not be in the public interest that he should give the consent required of him under the terms of the Bank Act, and the interested parties have been notified accordingly.

AGENTS SHOULD REMIT PROMPTLY.

Times are hard, incomes are diminished, and many agents, even among those who heretofore have been habitually prompt in their reports, are very slow in their remittances. Some are even delinquent, collecting the company's money, and spending it as if it were their own.

Agents should remember at this time that the premiums which they collect are not intended for their use for a period. An agency is not a bank. The company does not deposit its money at its agencies for safe keeping, with the expectation that the agents will use and profit by such deposits. It simply entrusts the agent with the collection of premiums, and gives him rigid instructions in regard to the remittance of the same. These instructions should be rigidly carried out, and remittances made promptly.