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The Big American Companies and Spain. Some of the comments by our British contemporaries upon the troubles of the Equitable in Madrid, and the offer of the New York to lend ten millions to the United States Government for the purposes of war against Spain, are too good to pass by. One paper insinuates that the hypothecation of the Equitable buildings in Madrid in the interest of their Spanish insurers is not much of a return for premiums received by the company. Equally rich is the reference by *Banking and Insurance* to the action of the New York in offering to lend its policy-holders money to prosecute war with. Two lines of a certain versification are slightly altered and then quoted "for the benefit of Spanish policy-holders."

*"Keen were their pangs, but keener still to feel,
They paid the money which impelled the steel."*

Upon reflection, it does strike one as somewhat rough treatment of the individual insured to make him contribute to the treasury of his country's enemy. However, we suppose the somewhat complicated condition of affairs may be ascribed to the fortune or misfortune of war.

A Bank's Loss and Sugar Bounties. The annual report of the directors of the Bank of Scotland contains an announcement that, in order to provide for contingent loss in connection with the sale of property belonging to a firm having estates in the West Indies, which have depreciated in value through the operation of continental Sugar Bounties, \$750,000 will have to be set aside. To furnish this large amount, \$125,000 has been deducted from the profits of the year's business, and \$625,000 has been taken from the reserve fund.

The Bank of Scotland is not likely to suffer much in reputation by the loss in question, and its strength will not be seriously impaired thereby. The reserve fund of the bank, after being thus reduced, amounts to the magnificent sum of \$3,500,000, and the shareholders received from the profits of the year a dividend of 12 per cent. But the cause assigned for making this inroad upon the fund provided for unex-

pected losses is one well deserving of the attention of Canadian banks. The injury wrought to the trade of the Dominion with the West Indies is only realized by those who know what financial ruin has followed in the wake of years of competition with bounty-fed fish and sugar by the majority of our West India merchants. If the Bank of Scotland has found it necessary to set aside three quarters of a million of dollars to pay for depreciation in value of a West India sugar estate, it is high time that Canadians engaged in similar hopeless fighting against overwhelming odds should ask themselves and their bankers "whither are we drifting?"

Some years ago, merchants in the Maritime Provinces, engaged in the exporting of fish and the importing of sugar, rum, and molasses, complained that the subsidizing of steamers by the Government had rendered a large fleet of schooners hitherto engaged in the carrying trade useless. This grievance fades into insignificance when compared with that already referred to—forced competition with bounty-fed fish and sugar. Our Edinburgh contemporary, *Banking and Insurance*, after a brief reference to the amount of the loss sustained by the Bank of Scotland, asks the economic question:—"Are we precluded by the free trade policy, which is supposed to have brought us such unmixed blessings, from making commercial agreements with other countries which may reduce the danger of our capital being depreciated and our trade seriously injured by an unforeseen change of policy on the part of other nations." We trow not.

The announcement made by the directors of this big Scotch bank is likely to prove interesting to those having business dealings involving export of fish or import of sugar, especially the merchants of Newfoundland and the Maritime Provinces.

If the reluctance of bank directors to acknowledge serious depreciation in the value of assets and to promptly provide for shrinkage were not generally known, it would surprise one to note that the Edinburgh paper referred to herein commends the "courage and candour" of the Bank of Scotland directors in "facing" this heavy loss and the consequent reduction of its reserve fund.