

rendered useless by a fire. There are machines and parts of machinery that, if destroyed, cannot be replaced for some weeks, or, even months. Some large manufacturing establishments are liable to be disorganized by a fire, the indemnity for which, by a fire policy, would be trifling compared to the loss caused by cessation of work. Orders for goods, for which costly preparations have been made are liable to be cancelled, owing to impossibility of delivery as the contract requires. The running expenses of a firm so unfortunately placed continue to be heavy, as salary and wage lists cannot be at once cancelled, nor can the capital that has been suddenly made inactive be diverted into some other channel to earn a revenue. Many a firm has found itself permanently injured by the business it enjoyed before a fire being diverted to another establishment, owing to its incapacity to execute orders. The scheme of insurance contemplated is designed to meet these conditions. The "Financial News" describes the plan as follows:

"Under this new method there is an agreement to pay the expenses and profits of the firm after a fire for a certain period to be agreed upon (maximum period, twelve months), until the premises are rebuilt and the work can recommence. The books of the firm (or the income tax returns) show the profits made in previous years as a percentage to the gross sales, and the profit, after the fire, is continued upon this basis. If business can partly be carried on, and thereby some profit made, the insurance company only pays the balance to make up a profit equal to that in past years. There are various other points in connection with the plan, but they are minor points, and this broadly describes the scheme. It is undoubtedly a necessary departure, and will be a great help to industry. The rate is cheap—being only one-half more per cent. than the rate charged for fire insurance of the property. Thus, if the rate for the latter be 5s. per cent. the rate for the insurance of the profits for one year is 7s. 6d. per cent. on the yearly amount of the profit, and on the score of cost no difficulty could possibly be urged against it."

The adjustment of rates to indemnity in insurance of this class must be exceptionally speculative and arbitrary. It seems a class of business more adapted to be associated with a strong fire office than to be conducted by a distinct organization, as it is really supplementary to fire insurance. One difficulty will be found in the indisposition of mercantile firms to disclose their profits to outsiders. The scheme as outlined is an experiment that will be watched with considerable interest.

OTTAWA CLEARING HOUSE.—The total for week ending 19th September, 1901, was, clearings \$1,588,719.10, balances \$365,383.32.

THE AUGUST BANK STATEMENT.

The bank returns for August always show a marked advance in circulation during the month, the increase last month over July having been from \$48,947,978 up to \$51,352,309, an enlargement of \$2,404,331. How this compares with some previous years appears in following table:

		CIRCULATION.		Increase.	Increase over previous year.
		August.	July.		
1901	\$51,352,309	\$48,947,978	\$2,404,331	\$3,931,032	
1900	47,421,277	46,007,906	1,413,371	5,974,878	
1899	41,146,399	40,270,100	1,176,299	4,146,903	
1898	37,299,496	36,553,546	745,950	2,845,110	
1897	34,454,386	32,709,475	1,744,911	2,945,232	
1896	31,509,154	29,575,380	1,933,774	771,532	
1895	30,737,622	29,738,115	999,507	467,256	
1891	32,012,196	30,579,968	1,432,228	706,167	
Inc. in 10 years....	19,340,113	.....	.....	.....	.....

Since 1891 the circulation has made an advance each year over July, and the average of which since the depression began to pass away has been \$1,417,000, which is a million less than the increase this year. What is especially noticeable is the steadiness with which this annual expansion takes place to meet the season's requirements, and the quietude of the operation as compared with the excitement and the flurry in the United States every year when harvest time creates a demand for more currency.

The deposits on demand were reduced in August from \$95,548,323 to \$93,945,799, a decrease in the month of \$1,602,524, which to that extent went out to enlarge the note issues. The deposits payable after notice rose from \$226,298,537 to \$228,174,258, an increase of \$1,875,721. The movement in deposits for same years as above in the circulation table is shown below:

		DEPOSITS ON DEMAND.		Inc. or decrease.	Inc. or dec. in year.
		August.	July.		
1901.....	\$93,945,799	\$95,548,323	Dec. \$1,602,524	Inc. \$6,782,776	
1900.....	100,738,575	99,743,997	Inc. 994,578	.....	
1899.....	95,264,689	93,080,003	Inc. 2,184,686	.....	
1898.....	84,306,117	81,886,549	Inc. 2,419,568	.....	
1897.....	74,919,375	72,609,727	Inc. 2,339,648	.....	
1896.....	65,264,335	64,948,908	Inc. 315,427	.....	
1891.....	58,553,420	58,775,860	Dec. 222,440	.....	
Inc. in 10 years....	35,392,379	.....	.....	.....	

		DEPOSITS PAYABLE AFTER NOTICE.		Increase or decrease.	Increase or dec. for year.
		August.	July.		
1901...	\$228,174,258	\$226,298,537	Inc. \$1,875,721	Inc. \$45,166,579	
1900...	183,007,679	181,045,944	Inc. 1,961,735	Inc. 14,380,663	
1899...	168,627,016	168,044,220	Inc. 582,796	Inc. 18,654,032	
1898...	149,972,984	147,169,605	Inc. 2,803,379	Inc. 14,904,163	
1897...	135,068,821	132,498,458	Inc. 2,570,363	Inc. 11,916,971	
1896...	123,151,850	122,100,074	Inc. 1,051,776	.....	
1891...	85,531,209	84,790,000	Inc. 741,209	.....	
Inc. in 10 yrs.	142,643,049	.....	.....	.....	

The total increase in public deposits in the last ten years was \$178,035,428. The total deposits in the chartered banks now amount to \$322,120,057, which is \$178,035,428 in excess of the total amount of deposits held by the banks in August, 1891.