

as a Government guarantee of the bank's solvency. Did this idea become widely prevalent, there would likely enough be a cruel awakening, in the event of a future bank failure. That is one reason why we take the view that Government inspection of the banks is not desirable. "No amount of legislation," said Sir Edward Clouston, in referring to this subject nearly two years ago, "will guard against the fallibility of the personal factor and prevent men from being fools or knaves," and at a time when in many other matters as in this, there is a tendency to consider that legislation can solve every problem and meet every possible contingency, it is well to bear the fact in mind.

While the increasing requirements of the country in the matter of circulation have in part been met by the extension of the period during which the legalised excess issue may be made, and by the issue of Government \$5 notes, it yet remains that the ordinary circulation is increasing more quickly than the banks' paid-up capital upon which it is based. We mentioned last week that whereas the banks increased their paid-up capitals during the twelve months ended August 31 last, by \$10,381,505, the end of August circulation was \$10,870,740 more than that at the end of August, 1911. In this connection it would seem not unfair that some differentiation in note-issuing powers should be made between those banks possessing a large reserve and those which have none.

With regard to loans to farmers on grain, this is a matter on which there appear to be different views among bankers themselves. While in some quarters the proposal is advocated as tending to help solve the problem of shipping the grain, in others it is deprecated on the ground that it would encourage the western farmer to become even more of a borrower than he is at the present time.

LIVERPOOL-MANITOBA ASSURANCE COMPANY.

An interesting change in fire insurance circles was consummated on October 1, when the Liverpool-Manitoba Assurance Company, of Montreal, took over from the Manitoba Assurance Company all the latter's business, assets and liabilities and began operations. The Liverpool-Manitoba has been organised by a Dominion charter, and has received its licenses to transact fire insurance throughout the Dominion. It is owned and controlled and its liabilities are guaranteed by the Liverpool & London & Globe Insurance Company, Limited. The directorate is an influential one, being as follows: Sir Edward Clouston, Bart., president; Mr. J. Gardner Thompson, vice-president and managing director; Sir Alexandre Lacoste, Messrs. M. Chevalier, W. Molson Macpherson, T. J. Drummond, A. G. Dent, J. A. Rimmer and John Emo. Mr. J. W. Binnie is secretary.

HELPING TO EDUCATE THE PUBLIC.

An innovation recently made by the Colorado Insurance Commissioner is interesting and worthy of commendation as a definite effort to assist in the education of the public in matters of insurance. The Commissioner is issuing from time to time a special bulletin which he has made arrangements for a large number of newspapers in the state to publish. A copy of the first of these bulletins lies before us at the moment. Its matter is unexceptionable. The requirements to which companies entering for business in Colorado and their agents are amenable are described in non-technical language. The point is insisted upon that the department is maintained for the protection of policyholders and a summary is given of its work. The Commissioner invokes the co-operation of the public and the companies in eliminating the undesirable solicitor—15,000 licenses are granted in Colorado annually and it is not possible to get rid of undesirables without co-operation. "Stick to the authorized companies," the Commissioner goes on, "therein lies your protection. You take grave chances when you place insurance of any kind with a company not licensed to do business in Colorado. You render this Department valueless when you so insure. Insurance to the average citizen is rather an uninteresting and prosaic subject—until a loss arises. Then it is an all-absorbing subject. The financial ability of your insurance company, its manner of paying claims, its authenticity, the promptness of its local and state agents, all become uppermost in your minds." The Commissioner makes a graceful acknowledgement of the effective educational work which is being performed by many companies, and closes with the intimation that policyholders can avoid trouble by simply procuring a list of the authorised companies from the Insurance Department upon application and that the Department has had uniform courtesy and co-operation at the hands of practically all the companies authorised in Colorado.

These simple bulletins, of one of which the above is a summary, surely suggest a widened conception of the serviceability of a State Insurance Department, and seem worthy of the compliment of imitation in principle, if not in detail, in Canada. The Manitoba Fire Commissioner, Mr. Lindback, has been doing good service by his energetic bulletins in which he has capably set forth facts and figures regarding the fire loss and means of fire prevention. But other insurance authorities in Canada seem to have been so far content with a somewhat straitened conception of their responsibilities. It would be really interesting to hear the insurance authorities in Canada following the example of their brother of Colorado and advising policyholders to "stick to the authorized companies—therein lies your protection." That is, perhaps, a good deal to expect from the powers-that-be, under the present circum-