

the bank to a round \$6,000,000, instead of the present \$5,799,200, while it will facilitate a readjustment, should that be deemed advisable in the future, the general manager does not conceal his preference for a reduction of the stock to \$5,000,000, and a corresponding enlargement of the Rest.

Mr. Hague makes reference in the course of his lengthy address to a number of matters possessing interest for bankers and business men. The Bankers' Association, it is hoped, may develop a higher standard of banking comity, repress injudicious methods, correct mistaken ideas, and diffuse sound principles, as it has already done good service in preventing dangerous legislation. An Insolvency Act, which shall suppress preferences and provide for equitable distribution of estates, is commended; reckless banking competition deprecated: "Canada has had far more than enough of it and has lost millions of money by it." It is a pity, said the speaker, that trade questions in this country are so often made the battleground for political contests. "The effect is exaggeration on both sides."

In the course of his sensible comments on the state of Canadian trade generally, Mr. Hague makes a point in contrasting the importing with the exporting business. "All our leading exports are of articles of prime necessity, and the expense of handling is small. The risks of the business are in the fluctuations of the market. In giving credit there is rarely loss. . . . In the importing trade the fluctuations in the value of goods are slow, but the expense of selling them, as compared with the export trade, is probably 20 to 1, and is increasing. Then there is the never-ceasing liability to loss by giving credit." Speaking of the retail trade, he says very pointedly: "The day has gone by forever when almost anybody could make money, or make a living, by opening a store and selling goods. It can't be done." Looking round on the many kinds of farms and farming localities, he observes that there are localities in the Province of Quebec "which have been rather overpopulated than otherwise, the farms having been subdivided until they cannot yield a living. It were better if this process of subdivision were reversed." A pregnant fact is stated near the close of this practical address, as follows: It is a fact that out of 29 branches [of the Merchants Bank] where farmers' deposits are received, in 27 of them there has been an increase in such deposits.

The extracts given by Mr. Hague from a dozen or so of the reports made by managers of the bank to Head Office will be found good reading.

But little difference, compared with last year, is shown in the net earnings of the Bank of Toronto, which are at the rate of  $7\frac{1}{2}$  per cent. on Capital and Rest, but an unusual and very gratifying item is shown at the debit of profit and loss in the shape of "amount recovered from debts written off in previous years, \$50,000." The directors appear, however, to have sternly refused to share this as a dividend; they place the amount religiously to Reserve. Of the aggregate assets of the bank, cash

assets amount to \$2,481,000, the bank building to \$120,000, the remainder consists of loans and bills discounted. An office of the bank has been opened at Point St. Charles, Montreal.

Reference was made by both the president and the vice-president to the progress of the bank, and to financial matters of near and remote interest. Mr. Gooderham, in the earlier portion of his address, grouped the causes which, in his judgment, had produced a state of affairs which has not been favorable to profitable banking operations during the year. "The volume of our transactions," he said, referring to the Bank of Toronto, "has been greatly in excess of anything we have, as yet, experienced. The competition which now prevails affects both the rate paid for deposits and the rates obtained upon loans, rendering it difficult to increase the earnings; and it is largely on account of increased business that we have been enabled to maintain our profits."

It was in recognition, very probably, of this greater volume of business that the board resolved, as explained by Mr. Beatty, to relieve Mr. Coulson—who is conceded to be one of the hardest workers among Canadian bankers—by giving the charge of Toronto office of the bank to Mr. Wadsworth. This step leaves Mr. Coulson more free to attend to his engrossing duties as general manager. Feeling reference was made to the death of Mr. Leys, and to the severe illness of Mr. Fulton, another member of the board.

An increased volume of business and a very good ratio of net profit are exhibited by the Imperial Bank of Canada. The directors announce the policy of maintaining ample cash reserves and of investing a good share of the funds of the bank in first class, readily-convertible securities. This, says the report, ensures the full and continued confidence of the public and of the shareholders, while it enables the bank to take prompt hold of good transactions when offered;  $36\frac{1}{2}$  per cent. of the assets are of the readily available sort, nearly half of these being bonds, debentures and call loans. Preference is expressed for the organization within the bank of an Officers' and Employees' Mutual Guarantee Fund as a desirable substitute for the system of officers' guarantees now in force, because tending to community of interests on the part of the officials themselves.

The shareholders of the bank receive in dividends nine per cent. for the year. Out of \$500,000 new stock allotted, \$463,600 has been taken up. Rest Account has been increased by \$50,000, making that fund now \$1,020,000, and the sum of \$6,272 has been written off Bank Premises Account.

#### FIRE INSURANCE IN CANADA.

In looking over the record of the results to the companies of fire insurance done in Canada during 1891, it is found that the losses by 38 companies doing business in the Dominion amounted to \$3,911,346, where there was taken in premiums \$6,172,044. This represents an average loss of 63.37 per cent., which is nearly eight per cent. worse

than the results of 1890. The division of the business among Canadian, British, and American companies may be shown thus:

	Net Premiums.	Fire Losses.
7 Canadian companies..	\$1,278,736	\$ 941,585
23 British " ..	4,189,535	2,554,162
8 American " ..	703,773	415,599
Total.....	\$6,172,044	\$3,911,346

Thus the Canadian companies have clearly had an unprofitable year, while the British and American competitors make a relatively better showing, though still nothing to boast of. As calculated by the Insurance Superintendent at Ottawa, the ratio of fire loss on Canadian business was in the case of the American companies 59.05 per cent.; of the British companies, 60.97 per cent., and of the Canadian companies, 73.63 per cent. The ratios of individual companies vary greatly. For instance, one British company, the London Assurance, reports only 36.80 per cent. of fire loss, while the Caledonian and Guardian admit 83 and 85. Among the Canadian, the lowest is the Eastern, with 61.3 per cent., the highest the Citizens, with a fraction over 90. Only two of the American, namely, the Hartford and Connecticut, go over 60 per cent.

Comparing last year with its predecessor one may find some odd contrasts. For instance, the Scottish Union and National, almost the lowest in the list, with only  $33\frac{1}{2}$  per cent. of losses in 1890, has this year to put up with 61 $\frac{1}{2}$ ; the Northern, which in the year before groaned over 70 $\frac{1}{2}$  per cent., gets off this year with 57.9, and while the London and Lancashire does even better, exchanging the 61.4 of 1890 for 41.4 last year. The only company among the Canadian ones which makes a better showing last year than in the former one is the London Mutual, while the Quebec and the Western which in 1890 escaped with 44.6 and 46.8 respectively, have this year to endure over 65 per cent. each.

#### DECISIONS IN COMMERCIAL LAW.

CORSE V. THE QUEEN.—C. sought to recover from the Crown the sum of \$465.74 and interest, for the duty-paid value of a quantity of glazier's diamonds alleged to have been stolen from a box in which they had been shipped at London, while the box was in the examining warehouse at the port of Montreal. On the 21st February, 1890, it appeared that the box mentioned was in bond in a warehouse for packages used by the Grand Trunk Railway at point St. Charles, Montreal, and on that day C. made an entry of the goods at the Custom House, and paid the duty thereon, \$107.10. On Monday, the 24th, the Customs officer in charge of the warehouse at Point St. Charles delivered the box to the foreman of the Custom House carters, who in turn delivered it to one of his carters, who took it, with other parcels, and delivered it to a checker at the Customs examining warehouse. The box was then put on a lift and sent up to the third floor of the building, where it remained one or two days. It was then brought down to the second floor and examined, when it was found that the diamonds had been stolen, the theft having been committed by removing the bottom of the box. Although the evidence that the theft was committed while the box was at the Customs examining warehouse at Montreal was not conclusive, the Exchequer Court of Canada drew that inference for the purpose