

The call loans of the banks are now at a very high level, viz.: \$28,000,000. This is a figure which bears upon what has been previously remarked, and if it were somewhat less and the actual cash in hand somewhat more, the position would be more sound and healthy. Accompanying this is the usual comparative statement.

## ABSTRACT OF BANK RETURNS.

30th April, 1898.

[In thousands.]

| Description.                                       | Banks in Quebec. | Banks in Ontario. | Banks in the other Prov's. | Total.  |
|----------------------------------------------------|------------------|-------------------|----------------------------|---------|
| Capital paid up .....                              | 35,318           | 17,334            | 9,647                      | 62,299  |
| Circulation .....                                  | 17,520           | 12,207            | 6,116                      | 35,843  |
| Deposits .....                                     | 107,526          | 86,933            | 32,508                     | 226,967 |
| Loans, Discounts and Investments .....             | 128,884          | 94,606            | 41,601                     | 265,091 |
| Cash, Foreign Balances (Net), and Call Loans ..... | 39,504           | 28,739            | 9,659                      | 77,902  |
| Legals .....                                       | 6,871            | 5,188             | 2,943                      | 15,002  |
| Specie .....                                       | 4,325            | 2,863             | 1,985                      | 9,173   |
| Call Loans .....                                   | 6,248            | 11,292            | 1,494                      | 19,034  |
| Investments .....                                  | 10,741           | 22,650            | 4,642                      | 38,033  |

30th April, 1899.

[In thousands.]

| Description.                                       | Banks in Quebec. | Banks in Ontario. | Banks in other Prov's. | Total.  |
|----------------------------------------------------|------------------|-------------------|------------------------|---------|
| Capital paid up .....                              | 30,068           | 17,564            | 9,794                  | 63,426  |
| Circulation .....                                  | 17,999           | 12,733            | 6,638                  | 37,370  |
| Deposits .....                                     | 119,554          | 102,673           | 37,663                 | 259,890 |
| Loans, Discounts and Investments .....             | 136,613          | 107,601           | 43,564                 | 287,778 |
| Cash, Foreign Balances (Net), and Call Loans ..... | 46,136           | 32,535            | 13,954                 | 92,625  |
| Legals .....                                       | 6,841            | 5,939             | 3,228                  | 16,008  |
| Specie .....                                       | 4,092            | 3,113             | 1,960                  | 9,165   |
| Call Loans .....                                   | 8,372            | 15,579            | 4,740                  | 28,641  |
| Investments .....                                  | 10,392           | 21,337            | 4,811                  | 36,540  |

Government Savings Banks .....

Montreal City and District Savings Bank .....

La Caisse d'Economie, Quebec .....

Loan Companies, 1898 .....

Bank Deposits .....

Total deposits of all kinds .....

## GOVERNMENT CIRCULATION.

Small .....

Large .....

Gold held, \$11,630,793 = 51.02 per cent.

## FIRE INSURANCE OF 1898 IN CANADA.

An abstract of the results of fire underwriting during the calendar year in Canada as furnished by the forty companies reporting to the Superintendent of Insurance at Ottawa, has just been issued. Truly, the showing made therein is not encouraging, for the losses were 74.51 per cent. of the premiums. But the year has been a disastrous one for fire underwriters in the United States, and in the United Kingdom losses have been larger than usual.

The fire losses for five years ended with 1897 in Canada averaged, as we showed a year ago, 68 per cent. of the premiums. They were 74.37 per cent. in 1893; 68.38 per cent. in 1894; 71.91 per cent. in 1895; 58.98 per cent. in 1896 and 66.12 per cent. in 1897; while last year the percentage went up to 74.51, which is higher than any year of the six.

In looking about for an explanation of such an unusual ratio of loss we do not find it in any such abnormal depressing condition of business as sometimes leads people to fire their premises, for the year has been one of improving business in both commerce and manufactures. Nor can it be accounted for by climatic reasons such as remarkable dryness; nor by bush or prairie fires or an unusual access of lightning stroke. There have, however, been several noteworthy conflagrations; the desolation of New Westminster, and the serious fire at Bridgewater, Nova

Scotia. The Montreal dry goods fire took place in December, too, which increased the losses of the year. Some of these disasters, it is to be hoped, have had a salutary effect in making Canadians everywhere more careful to provide fire appliances and to set limits to careless building and to other sorts of exposure to the risk of fire.

Indeed we may not venture to draw severe conclusions from the results of any one year, because there are "off years and good years" in fire assurance which are not to be explained upon any theory. A series of years must be taken. It appears to us, however, in connection with this matter of fire loss, that while it would be unfair to conclude from this experience of 1898 that rates of premium are as a whole too low, it is reasonable to conclude that rates on some kind of risks are too low. We believe that the companies might very well revise their tariff in some respects, for it appears from the business being written by some new non-tariff companies that tariff rates on some risks are deemed too high.

Nearly three-fourths of the amount at risk at the close of the year was carried by the British companies, twenty in number. Roughly the proportions are 70 per cent. in the British, 18 per cent. in the six Canadian and 12 per cent. in the seven American companies. The division of the business of the year among groups of companies was:

|                          | Premiums.   | Amount Policies. | Losses.     |
|--------------------------|-------------|------------------|-------------|
| Canadian Companies ..... | 1,121,927   | 110,497,108      | 622,310     |
| British " .....          | 5,222,883   | 481,404,453      | 4,140,317   |
| American " .....         | 1,004,859   | 88,750,015       | 713,963     |
| Totals                   | \$7,349,669 | \$680,651,576    | \$5,476,590 |

The percentage of losses was in the case of the Canadian companies 55.46 per cent., in the British 79.27 per cent. and in the American 71.04 per cent. Thus while there is some showing of profitable result to the Canadian companies there is very little to the American, and none whatever to the British. There can be little wonder that some of the British companies are restive under such results. We reproduce the Government Abstract on page 1551 of this issue.

## LIFE INSURANCE LEGISLATION.

The bill introduced into Parliament by the Minister of Finance on this subject contains two important features, viz., that referring to the extension of the life companies' powers in the investment of their funds, and to the change in the interest basis upon which reserves are to be calculated.

The latter question is one in which every policy-holder is interested. The existing Insurance Act requires the life companies to calculate and hold their reserves on all their insurance obligations on a basis not lower than the Institute of Actuaries' table of mortality and interest at 4½ per cent.; the proposed Act requires reserves on policies effected after the 1st January, 1900, calculated on the same table, but at a 3½ per cent. interest rate, and that all insurances issued prior to that date may be valued by the old standard, or until 1st January, 1907; after which the new standard must be used. The effect of the change will of course be to strengthen the stability of the life companies and the security of the policy-holders.

The rate of interest at which the life companies should reserve to-day is 4½ per cent. This rate was determined in 1877, when the life companies earned on the average about 7 per cent. on their investments, it was then considered a safe one. In view, however, of the decline in interest rates, the life companies in common with other financial institutions have suffered, so that in 1897 the average rate earned by all Canadian life companies was only 4½ per