

1875. SPRING. 1875.

Bryce McMurrich & Co.

ARE NOW RECEIVING THEIR

SPRING IMPORTATIONS,And Solicit an EARLY VISIT from their Customers
and the**TRADE GENERALLY.**

WAREHOUSE—34 Yonge Street, TORONTO.

N.B.—Owing to the depressed state of Trade in Britain, many lines of Goods have been purchased at very low prices, and BUYERS will find it much to their interest to visit the Markets, and inspect Stocks personally, instead of ordering from Trade Samples.

**THE MONETARY TIMES,
AND TRADE REVIEW.**

TORONTO, CAN., FRIDAY APRIL 28, 1875

LIFE INSURANCE COUNTERFEITS.

It is a truism verified by fact and philosophy, that everything genuine and of great value has its counterfeit. Not only Bank notes, securities of every kind, gold coins, diamonds, and such like gross materials, but virtue and even religion itself have their base representations of the true original. To the operation of this rule life insurance forms no exception. It has been demonstrated by the experience of mankind in almost all civilized countries that it confers solid and lasting benefits upon society. This is true of the genuine article; of the spurious the very opposite may be confidently asserted. The one is known by its recognition of the well-established laws of mortality and the rates of interest, by the careful selection of lives, and by premium tables calculated to cover the risk incurred. The spurious promises all the advantages of the genuine without the expense attending it, and its reckoning of the future is limited to whatever ingenious guess-work may serve the purposes of the hour, and satisfy the enquiries of intended victims. "Cheap Insurance" is its motto. While the spurious decrys and vilifies the genuine it lives solely on its reputation. Under the broadest representations of disinterestedness the promoters and managers of "co-operative" or counterfeit life insurance obtain the funds of their dupes, for which almost the only return is successive disappointments to be followed invariably by hopeless bankruptcy. Scores

of these concerns have been started in the United States; and their history is all written in the foregoing sentence.

The case of the Equitable Life Assurance Company, of Elizabeth, New Jersey, which failed some weeks ago, is one that involves considerable hardship. Contrary to the general rule, this undertaking seems to have been an honest effort to accomplish an impossibility—to make an image of iron stand on feet of clay. It was established in 1869; it had no capital stock; no dividends were paid; when a member died assessments were levied on the remaining members; the proceeds were handed to the heirs of the deceased, and varied in amount according to the number of members in his particular class who could be induced to pay up, those who refused or neglected to pay were stricken from the roll of membership. Here we discern the regular but ugly and too familiar features of a first-class "co-operative." Its life was prolonged beyond the usual term of these ephemeral projects; it lived about four years on the folly and the hopes of its members. When, at last, by the recurrence of deaths which though inevitable seem to have been unlooked-for, the assessments became heavy, and it was discovered that life insurance costs something; the members gradually withdrew, and the whole affair "disappeared like the baseless fabric of a vision, leaving not a wreck behind"—except a little furniture which the sheriff seized.

One of the grievances set forth by this Company, to which its demise is ascribed, is that the State Superintendent insisted on treating it as an Insurance Company. He required from its officers regular returns, showing its financial position &c. To a concern without a financial position at all, this must have been a sore grievance. Inability to comply with the Superintendent's requirements brought upon its devoted head certain penalties, provided by law. One of these penalties is a fine of \$500 for each month that the Company continued in existence after refusing to make the annual report to the insurance department of the State. It seems to have been assumed by the managers that they could transact the business of life insurance without being a life insurance company.

It is a characteristic of these co-operatives to purloin the name of some first-class life insurance Company. The title of the defunct concern above described is also that of one of the most prosperous life companies in the world, having its head-quarters in New York. We have in our midst a "co-operative" which is styled the "Mutual Benefit" after the name of an American life office of the very best standing. We

regret to notice that this "Mutual Benefit," hailing from some place in the United States is regularly advertised by one of the leading Toronto dailies. We do not envy the pleasure these journalists may derive from sharing in such ill-gotten gains. What is the difference between advertising counterfeit life insurance and similarly aiding the rascals who negotiate counterfeit money?

**COMPARISON OF BANKING GROWTH
IN CANADA AND THE UNITED
STATES.**

The statistics of the National Banks of the United States are as carefully collected and as regularly published as those we are familiar with from our own Audit Department. They are furnished quarterly instead of monthly, as are those of Canada, but they excite as much attention in financial circles, and exercise as important an influence on the general business movements of the country. There are now in the United States 2,027 banks working under the National system, which has long embraced nearly the whole of the banks of the Northern States, and a considerable portion of the South, a few States excepted. California, too, is an exception. In all the rest of the country a few banks are still organized under State laws, but they are insignificant compared with the vast bulk of the rest.

On March 1st the amount of paid up capital in the National Banks was \$496,000,000; deposits, \$654,000,000; circulation, \$325,000,000; discounts, \$956,000,000.

It will be very interesting to look to the condition of these banks a few years back, to note the progress they have made, and to compare that progress with our own. We will take four periods commencing with 1868 and ending with the present year:—

National Banks of the United States.

	Capital.	Circulation.	Deposits.	Discounts.
1868...	\$420,000,000	\$288,000,000	\$597,000,000	\$657,000,000
1870...	455,000,000	298,000,000	513,000,000	724,000,000
1873...	491,000,000	340,000,000	629,000,000	944,000,000
1875 Feb.	496,000,000	325,000,000	654,000,000	951,000,000

Chartered Banks of Canada, (Ontario and Quebec only.)

1868....	\$29,000,000	\$10,500,000	\$33,000,000	\$53,000,000
1870.....	32,000,000	17,800,000	49,000,000	74,000,000
1873.....	52,000,000	25,800,000	63,000,000	132,000,000
1875 Feb.	59,000,000	23,013,000	74,000,000	145,000,000

It will at once be evident that there is a very striking difference between these two statements. The rate of progress in Canada has been immensely greater than that of the United States. The difference in the ratio of increase is obvious at a glance, but its exact extent can be better appreciated by being stated accurately in figures.