attempt had been made to prove a marriage which had never been performed, the boy's claim, whatever it might have been, would have been uninjured; but it was morally forfeited by these proceedings. Any claimant who lies under no suspicion of crooked procedure would be in a different position, and the disposal of the property in this particular instance would prove nothing in his case. Some say the illegitimate son will not take the offer made. All we can say is, we think that, in that case, it ought not to be repeated. We think we are entitled to hold that the general question of the disposal of estates escheated to the crown is unaffected by the decision in the Mercer case.

THE RISKS OF PRIVATE BANKING.

Financial and commercial circles in Halifax are greatly exercised over the failure of the private banking house of Messrs. Almon & Mackintosh, whose suspension was announced on the 18th inst.

That firm enjoyed the confidence of a large constituency, and were generally credited with the possession of a capital of $150,000 to $200,000, the senior having inherited largely from his father. In this particular they were much over-estimated; and it now appears they commenced business in 1873 with a capital of about $30,000; the residue of Almon's inheritance having been otherwise invested, and subsequently dissipated in some private speculations in which he had indulged. At the close of last year the firm claimed a surplus over their liabilities of about $112,000, since which time losses have accrued amounting to over $50,000, and at the time of their suspension they showed a nominal surplus of nearly $60,000, upon a liability of $191,000 direct and $300,000 indirect. For a month previously they had been contracting their business, and—realizing their danger—had "taken in sail," but too late for safety. One or more of the banks with whom they had large lines of discounts declining to continue what they considered a dangerous account, insisted upon suspension.

This failure has caused much anxiety, as many small firms are seriously affected thereby; and their loss and probable failure re-acts upon other and larger houses. The indirect liabilities are divided amongst four of the local banks, and it will take the greater part of the firm's surplus to cover probable losses thereon. Still it is believed that the assets will meet the liabilities, or, at the worst, that only a small loss will result.

Mr. Mackintosh was the active man of the firm; he developed considerable talent and surpassing industry and energy in the prosecution of their business. But his management lacked the essential element of prudence, though he was credited with being careful to hedge himself about with collaterals and securities amply covering the risks taken.

Too much of the firm's means had become locked up by advances on real estate and shipping collaterals, which were unavailable when most needed. An unfortunate illustration this, of the danger of fixed loans to banks, whether private or public.

MUTUAL INSURANCE RETURNS.

The Treasurer of the Province of Ontario has issued in tabular form a statement showing the business of Mutual Fire Insurance Companies in this province during the year 1877. We are pleased to notice that a different system from that of the returns heretofore published has been adopted. This seems to be an improvement, in so far as it is intended to show the actual financial position of each company, supposing all their risks to be reinsured at the end of the year. This statement is of especial interest just now, considering the amount of correspondence in this and other journals on the subject of Mutual Fire Insurance Companies; and we are sorry that it is entirely too lengthy to appear in these pages.

It is particularly noticable that the positions of those Mutual Insurance companies doing business of a purely local character, have not, as a rule, suffered in the same proportion as those small concerns that have endeavoured to do a large business all over the country. In glancing over the return it appears that numbers of these small companies have no liabilities at all or at any rate liabilities of a very trivial character, (except of course re-insurance liability, which some of them do not appear to take into account.) Their business seems to be conducted generally on the most economical principle and confining their risks to the township, or at the outside, to the county in which they exist, they usually afford cheap insurance to farmers. But the great risk is in having a business too small to afford a good average. If some of those township companies were to have a loss of say $3000 they would find it a serious strain upon their resources, and many farmers would wish that the burden had to be shouldered by some large mutual or stock company. Yet the law of average never fails, and those who elect to be insurers for a small community need not expect to eventually escape loss. This remark applies specially to newly settled districts.

The forty-four companies comprised in the statement have mostly property of a non-hazardous character insured in round numbers to the extent of $75,000,000; and the amount of premium notes held by these companies, and exclusive of over-due or unpaid assessments, is nearly $2,000,000; nor does this last mentioned sum include the amounts paid or payable for business done on the cash principle. And we notice with satisfaction that the companies in some instances seem disposed to drop the cash business, a step which is certainly most desirable, as tending to prevent the clashing of interests between the Stock and Mutual Companies.

The tabular statement of affairs seems to aim at one most desirable object, that is, to place before the public generally in its simplest form the ability of each company to carry on its business and meet its liabilities. It must be remembered that this statement is compiled from a necessarily more elaborate return furnished under oath by the chief officer of each company.

To refer in detail to the special features in some of the companies that ought to be noticed, is beyond the limits of our space this week. We hope to further review the statement in our next issue.

LIFE INSURANCE AS AN INVESTMENT.

The publisher of the *Insurance Monitor* has issued a comprehensive chart, giving the names of all the life insurance companies in the United States which were established previous to 1860. Of the twenty-eight companies then in existence, only four have failed. Two of these, the American Mutual and the Charter Oak originated in Connecticut. The latter is expected to pay about two-thirds of its liabilities. Of the other two, the Guardian Mutual showed a deficit of over half a million dollars. The fourth of these failed companies, the St. Louis Mutual, previous to its failure, transferred its Canadian business to the Confederation Life Company, and re-insured its American business in the Mound City. This was afterward transferred to the Columbia which utterly failed and is being wound up. The fact that only four out of the twenty-eight older companies have failed, is a fair indication of the general stability of these institutions. As an investment for use in future years, probably nothing in that country is more safe. Stocks of all kinds have shrunken heavily in value during the past four years in the United States.