

and it is to be hoped that this horror will continue. At the same time the item does not probably represent the real value of such assets, as most of the banks follow a very conservative method in appraising their bank premises.

It is when we come to other investments of the banks that we realize in reality the marked change which has taken place in Canadian banking under the present Act. They hold \$3,815,000 more of specie, and \$7,797,000 more of Dominion notes than they did in December, 1891, an increase of \$11,612,000 in absolutely idle money, due probably quite as much to the increase in the number of branches as to any special desire to be stronger in this particular. A strong indication of the increasing trade between Canada and Great Britain is indicated by the financial relations between the two countries. In 1891 our banks owed the motherland some \$1,416,000, and had a contra account of \$6,337,000, while last December they owed \$4,360,000, and were owed \$12,078,000. Comment on the development of the trade is needless, but it may be said, in passing, that the figures show the necessity of a Dominion insolvency law if our British cousins desire it.

The trade of Canada with the United States, as shown by the figures, has grown largely. That country owed us some \$18,464,000 in 1891, and \$22,291,000 in 1899.

The following little table will be interesting:—

	1891.	1899.
Dominion Govt. Deb., etc.	\$ 3,061,000	\$ 4,779,000
Can. Munic. & Pub. Sec.,		
not Dominion	6,438,000	16,753,000
Ry. Sec.	4,825,000	14,603,000
Call Loans	14,401,000	32,435,000

Here we have a condition of things calling for very serious attention indeed, not necessarily in the bank Act, but in connection with laws concerning these securities concerned. The first point to be noted is, that the banks have found it desirable, probably in view of their enormous deposits, to have comparatively readily convertible assets in much larger bulk than heretofore. But an increase of \$10,000,000 each in municipal and railway securities brings forward problems which may, in time, if not presently, render some supervision of these investments necessary, while the vast increase in call loans is not altogether satisfactory to the commercial community, although doubtless perfectly safe for the banks, and in large part the outcome of the present spirit of the age which leads to the formation of joint stock companies out of what would formerly have been private firms.

We have not attempted herein to propose any steps in connection with the changed conditions of banking under the present Act. Nor have we been at pains to enlarge upon the significance of the changes outlined. The changed conditions, except where they have already wrought disasters, are best left to develop quietly, and to be studied in the light of experience, not experiment. They do indicate, however, that the banks are face to face with new conditions, reduced profits (on the whole), and a mass of deposits rendering it not only necessary that greater caution be exercised in future investments, but that some steps be taken to protect the depositor more fully than has hitherto been done.

Our views on these subjects have already been made public, and it only remains to await the New Act and comment thereon.

PETTY LOSS CLAIMS.

No man who has charge of the claims department of any leading fire office will miss the fact that claims for fires of a trivial nature are considerably on the increase. Much of this is, of course, due to the increasing competition in fire business, and these are not times when a manager can take a stand and register his candid opinion upon the small claim and the claimant. We well remember a man of the last decade of insurance managers who made a point of writing to a claimant for anything under ten shillings, and pointing out that fire insurance did not exist for such petty business. This is twenty years ago, and much has happened since then. The great spread of the small private house business has undoubtedly placed a very considerable number of insurers upon the books to whom a few shillings is a consideration, and these have no compunction in applying for any compensation that may be admissible under the policy. The "clothes-airing" claims of this class of people make the loss department busy, but they are not the only people who secure trifling sums from the fire offices. A case came before us where a man in a good position in the India Office claimed 11d for a pair of socks, damaged while airing, and came into the city to collect his money. It is not difficult to see what sort of a settlement an assessor would get from that man, assuming he had a really serious fire. In a recent claims book that came before us the following items appeared in a page covering eight names of claimants, viz., 11s, 4s 2d, 17s 6d, 15s, £1 2s, £1 10s. The other two amounts were £80 and £47. The preponderance of small claims is here clearly seen. Now, Lloyds do things on a much more satisfactory basis. On their contingency side they always insist on a minimum "limit." No hardship is entailed on the insured, for he can secure any "limit" he may be disposed to pay for. This practice secures the underwriters from the worry and expense of dealing with small claims. Their normal burglary policies cover a limit of £5, their yacht policies a limit of £20, and so on.

Now, why cannot the Fire Offices' Committee adopt a similar procedure? It cannot be denied that the insured who is disposed to worry his office every time he has an eighteen-penny fire is a man who is not worth cultivating. He it is who sends up the ratio of expenses. To pay claims without investigation is simply to invite another inquiry for compensation. The official detail is necessarily put into operation, and the cost of assessing the claim obviously finds a place in the office expenditure. A clause in the policy stating that no claim would be paid under £1 would dispose of a voluminous amount of detail work, and the only objection to be considered is whether a man, finding a fire was doing less than one sovereign's damage, might not be disposed to "push" the catastrophe so as to make it a guinea. It is, of course, a possibility, but there is the consolatory reflection that the average insured is not a gratuitous thief. Assuming that furniture insurances come up, as a preliminary consideration in this revision, the rate of two shillings might still apply, with the memorandum fixing the minimum claim at one pound. If this minimum is to be eliminated the rate might be assessed at 3s 6d for the first hundred, and 2s 6d for amounts above this. We throw out the suggestion for what it may be worth. It does not seem unreasonable to suppose that the consolidated intellect of the Fire Offices' Committee should find much difficulty in following the good practice of Lloyds in the attempt to minimize a growing annoyance.—"The Citizen" of London.