

claimed," said Mr. Matheson, "that it represented a capital of \$2,800,000 and claimed that as part of their surplus. He maintained this was not correct, as the principal could never be realized on. It would, therefore, henceforth be called a subsidy, and not interest. Bonuses from timber, which last year amounted to over \$1,600,000, should be regarded as receipts on capital account. "If we are to receive," he argued, "\$75,000 one year and \$1,660,000 the next, how are we to arrive at any satisfactory basis of revenue?"

Mr. Matheson announced that in future he would distinguish between ordinary and capital revenue. The timber receipts of last year's aggregated over \$5,000,000, yet of this over \$3,000,000 had been used for ordinary expenditure and only a million and a fraction had been devoted to capital account.

\* \* \* \*

**A PROFITABLE CONTRACT.**—As to the expenditures Mr. Matheson declared he felt in honor bound to carry out the promises of his predecessors, unless it was found that there was any fraud or wrong at the bottom of them. Discussing the Temiskaming Railway he said the road had been mismanaged, and if it had been built under the present Government fully one million dollars would have been saved. The road would cost \$38,600 per mile, instead of the \$23,000 estimated. Existing consequences prevented the new commission making as great a reduction as they otherwise might. He declared the contractor would make from \$1,000,000 to \$1,500,000, which, if realized, will prove that the contract was made without due consideration for the public interests.

## Notes and Items.

### At Home and Abroad.

**MONTREAL CLEARING HOUSE.**—Total for week ending April 13, 1905—Clearings, \$28,299,367; corresponding week 1904, \$20,329,444; 1903, \$14,390,653.

**OTTAWA CLEARING HOUSE.**—Total for week ending April 6, 1905—Clearings, \$2,357,502; corresponding week last year, \$2,033,944.

**MOVING PICTURE MACHINES** are having a bad record, owing to their exploding and causing fires.

MR. HYDE, OF THE **EQUITABLE LIFE**, has commenced a libel suit against one, Kindel, of Denver, for issuing a circular in which Mr. Hyde, founder of the Equitable, is grossly slandered. The discussions over that company's affairs have reeked with vulgar, personal abuse.

THE WORD "USE" in a question to an applicant for life insurance, "Do you use liquors?" means habit, practice or custom, and a negative answer was not false because the applicant had drunk liquor, however slight the use. *Pacific Mut. Life Ins. Co. of California v. Terry et al.*, 84 S. W. (Tex. Civ. App.) 656.

THE **RICHMOND & DRUMMOND FIRE INSURANCE COMPANY** has been incorporated under a Dominion charter. The principal promoters are at Toronto. It is intended to begin operations with a subscribed capital of \$250,000.

25 per cent. paid up. A further call of 5 per cent. will be made annually for the next three years, making 40 per cent. in all, or \$100,000 cash capital. Of this amount \$150,000 is offered for public subscription.

**FIRES IN WEST INDIES.**—A visitor in this city from the West Indies gives the following incident as an illustration of the recklessness and lack of intelligence of the negroes. A man in his father's service dropped a can of kerosene in the pantry, then, to clear up the oil, the man set it afire with a match, and to prevent it spreading, he was found whipping the flames with a whisk of straw! Needless to say, his master's "writ of ejectment" was served with more force than ceremony.

**INSURABLE INTEREST.**—In regard to insurable interest, the Supreme Court of Pennsylvania says:—"If we admit that one may insure his life for the benefit of another who is neither a relative nor a creditor, our whole doctrine concerning wagering policies goes by the board. The very foundation of that doctrine is that no one shall have a beneficial or any kind of interest in a life policy who is not presumed to be interested in the preservation of that life."

**A LONG RANGE FIRE RECORD.**—Mr. Bissell, Vice-president of the Hartford Fire, recently delivered a lecture on, "Fire Insurance, its place in the financial world, historical notes," as one in the University of Yale insurance course. He showed how great an aid it was to business, reviewed the situation before insurance days, and traced the growth of the system and its services and developments. In regard to the United States record, Mr. Bissell said: "While early statistics are not available, the results of the business from 1860, as shown by the stock companies reporting to the New York department, have been carefully tabulated and give the following results:—

From these figures it must not be concluded that the fire insurance business has been on the whole profitable. From 1811 to 1830 the business did not produce an average profit of 3 per cent. on the capital involved. From 1831 to 1850 the losses swallowed up all the premiums received and several million dollars in addition. From 1860 to 1902, 94 per cent. of the premiums were paid out in losses and expenses, leaving an apparent profit of 6 per cent. From this must, however, be deducted liabilities of 176,765,000, which gives a net profit of \$16,794,500, or about one-half of 1 per cent. of the total premium income. These figures, however, do not take count of the losses of the companies which have failed. To-day the total number of stock companies reporting to the New York department is 145. There have been, however, in the United States over 1,600 companies which have failed or retired, 900 of these being stock companies. The business, therefore, on the whole, has been conducted at a loss."

### PERSONALS.

MR. FRANK H. RUSSELL, manager for Canada, of the Railway Passengers' Assurance Company, has returned to Toronto, from three weeks' tour through the Lower Provinces, where he reports the business of his company is prosperous.

MR. GEO. WEGENAST, general manager of the Mutual Life Assurance Co. of Canada, was in Montreal recently. He reports that the business of his company is very good.