were recognised at the annual meeting cannot but have an excellent effect in stimulating their spirit of loyalty and service to the Bank. This institution is fortunately served in having as its General Manager in Canada, Mr. H. Stikeman, and under his able direction there is no doubt the Bank of British North America will continue successfully to follow its way of conservative progress.

A CANADIAN BANKING LANDMARK.

At the recent annual meeting in London of the British Bank of North America, interesting reference was made by the chairman (Mr. E. A. Hoare) to the matter of the rebuilding on the present site in St. James Street, Montreal, of the bank's Canadian head office. As we have previously remarked, the course of action which has been resolved upon marks the disappearance of one of the historic landmarks of Montreal's financial district. But the development of the business which the building houses has outgrown its capabilities of expansion. The constant increase of the work of the head office, owing to the establishment of so many new branches, has with difficulty been provided for during the last few years. The point has now been reached when it cannot be provided for any longer. The old building must come down, and on the present site it is proposed to erect a modern building which should provide ample space not only for present requirements but for the future.

The site upon which the present building stands was purchased in 1842, Mr. Hoare stated, for $12,167. To-day, after the lapse of seventy years, it is worth more than $243,334. The erection of the building occupied some years, and Mr. Hoare finds from ancient records of the bank that it was not completed until 1847, the total cost of land and building being $55,219. No doubt additions were subsequently made. Apparently no contractor was employed, and the bank's books contain long columns of detailed entries of payments for piecework and for building materials, even including bricks, which were sent out from London to Montreal.

The Canadian banking system has many milestones of expansion, and not the least interesting, perhaps, is the contrast suggested in this little bit of history, between the primitive methods which were used for the erection of the building which has now been condemned, and the modern methods which will govern the erection of its successor. The contrast reveals graphically the great gap between the Canada of the forties of the last century and the Canada of to-day.

There has been an alteration in the Bank of British North America's financial year. In future the balance sheets will be made up to May 31, and November 30, in each year instead of as hitherto June 30 and December 31.

THE TAXATION OF INSURANCE COMPANIES IN QUEBEC.

We have received the following letter from Mr. William H. Drapier, jr., superintendent of agencies of the National Surety Company, New York:—

To the Editor of The Chronicle.

Sir:—Permit me to comment on the article appearing on page 465 of your issue of March 29, and to suggest that the Province of Quebec is the most unfriendly towards insurance companies, more so than all the rest of the Dominion.

The National Surety Company recently applied for registration in the Province of Quebec, for which I understand we paid $150 and possibly other minor fees. To my surprise, on visiting the Insurance Department this spring, I found that we were liable for fines and interest and other penalties for not having paid the taxes due in advance on our premiums for the first half of 1911. It seems the rate is 1 per cent. on the amount of premiums written in the Province, with a minimum of $250 per year. When I explained to the official in charge that we had not written any business, or practically none during that period, he called my attention to the fact that a compromise of $125 would cover the taxes due from January to June, inclusive, 1911 (it was levied and due July 1st, 1910, six months before we were admitted) and wrote to the Collector of Provincial Revenue, asking that no penalties be imposed under the circumstances. But the penalties were imposed and collected, just the same, in all amounting to more than our premiums written that year.

Aside from this excessive taxation, which is far more than that exacted by any other province, and notwithstanding the fact that all of the surety premiums written in the Province of Quebec by all the companies entered there, do not amount to $25,000, each one of us must pay a tax of 1 per cent., based on a minimum premium income of $25,000. Then, in spite of the fact that this company has total assets of practically $6,000,000—$1,500,000 in paid-up Capital Stock and over that amount in surplus, and the fact that we have deposited $50,000 at Ottawa, for which we have a Dominion License, we are not permitted to write Court Bonds in Quebec until we shall have made a special deposit of $50,000.

Mind you, other foreign companies made a special deposit of $20,000, years ago, and received their license to do Court business, but when the law was changed demanding that $50,000 be deposited, it was not equitably worded, and we later companies are discriminated against, and must put up $50,000, in spite of the fact that the early companies, who deposited only $20,000, were not obliged to come up to the new requirement. Could you imagine anything more unjust? And as if this were not enough to discourage us, every Municipality in the Province requires a special License or Occupation Tax before we can establish agencies, ranging from $100 in Montreal and $50 in Quebec to other amounts ridiculously disproportionate to the volume of business involved in the various small Municipalities.

A glance over the Insurance Laws of other Provinces will show that after a modest annual registration fee, and a tax of one-half or three-quarters of one per cent. on premiums, no requirement or tax can be enforced against any insurance Company by any municipality or otherwise, and in those Provinces matters are still forging ahead, and as you suggest, the people are being benefited.

It would perhaps come as a shock to the people in Quebec, if they could realize that notwithstanding the fact that their Province was settled hundreds of years before the others, the bulk of the insurance in Canada is written west of Fort William. The remedy is so apparent that there is no need to comment further on the situation, and I trust for the sake of the insuring public in Quebec, that Insurance Laws there, will be made to conform to those in the Western Provinces, and penalties provided, that will keep out Lloyds and other unauthorized alien companies, so that at least, we overtaxed insurance companies will get some benefit and some protection. Most of the American surety companies write contract bonds and many other lines unknown to the average Canadian or British surety company, and it seems to me that we should be encouraged, and taxation placed on some reasonable basis, so that the people may be benefited, rather than the Insurance Department.

WILLIAM H. DRAPIER, Jr.,
Superintendent of Agencies.

National Surety Company,
New York.

(Continued on p. 577.)