

ever for the imputation that the banks have been encouraging speculation at the present time. We must first call attention to the enormous increase in the paid up capital of the Banks of Ontario and Quebec within the last five years. In 1870 it was \$32,094,076, in 1872 \$45,715,312, in 1873 \$52,877,138, and in 1876 \$61,448,438. We shall now compare the aggregate amount of the advances by the banks bank stocks, in Feb., 1874, when the paid up capital was under \$54,000,000, with Jan., 1876, when it exceeded \$61,000,000. In 1874 the loans on bank stocks were \$4,181,440, in Jan., 1876, they were \$3,047,883. The returns for February are not complete, but so far as furnished in the last *Gazette* 16 banks whose loans on bank stocks were \$2,676,825 in January were only \$2,420,692 in February, a reduction of \$256,633. It may further be observed that the aggregate amount of the bank loans in January, 1876, was nearly \$130,000,000, so that those bank stocks were under 2½ percent. of the loans. The result then of the enquiry which we have instituted into this subject at the suggestion of our evening contemporary is that the loans on the security of bank stocks are not excessive, and that, notwithstanding the great increase of bank capital, they have diminished within the last two years. This leads us to the inevitable conclusion that the articles to which we have referred have been inspired by "bears," and are intended to create alarm on the stock exchange.

INSOLVENCY.

Mr. George Hague of Toronto has rendered valuable service to the community at large by a lecture which he has recently delivered in Toronto on the subject of insolvency, and which we find reported in the *Mail*. The subject, as the lecturer admitted, is an unpleasant one to every body. During the last year 2,000 people failed in business, with debts amounting to \$28,000,000. Mr. Hague contended that these failures were not owing to "bad luck" or "misfortune," as was often said, but to their own faults, "failure in business being something that could be averted." His wish was to draw a sort of chart of the quicksands, shoals and dangerous places which beset persons in business. Mr. Hague proceeded to illustrate his views by referring to the special cases of individual insolvents with whom he had been personally acquainted, each of whom had failed owing to serious error, and having cited seven or eight cases in detail, he asserted that he did not believe that there were ten out of the 2000 that had failed in Canada during the last year who did not come

under one or more of these heads. Mr. Hague's experience as cashier of the Bank of Toronto has enabled him to obtain an insight into the operations of commercial men that renders his opinions on the subject of his lecture most valuable. We earnestly hope that it may be published, and have an extensive circulation. We shall not attempt to enter into any detail of the specific cases referred to by Mr. Hague, but we can't forbear observing that the attention of our own commercial men has been specially called very recently to more than one of the causes of insolvency adverted to in the lecture. A case is cited in which a well-to-do retailer was induced to lend his name to a wholesale firm with which he was dealing. The paper being regularly retired, he gave no attention to the subject, and for years continued endorsing, feeling quite comfortable and easy, until one day he was startled by the rumor that the firm was in difficulties, when, on referring to his books, he found his liabilities on accommodation paper three times what he had supposed. In some recent failures in this city losses very similar to that described by Mr. Hague have been sustained by the customers of wholesale houses. Such transactions are calculated to shake confidence, for it is most difficult to distinguish accommodation bills from those of a *bona fide* character when both are given by the same men. In the celebrated case of Collie, who took in all the leading joint stock banks in London, the bills of exchange were most carefully prepared for the purpose of deception, and although a similar procedure was not resorted to here, yet it is to be feared that the accommodation paper was manufactured so as to give it the appearance of being genuine. Another class of cases which should be visited with the most severe animadversion is where mercantile firms enjoying a credit which is wholly undeserved, continue to carry on business for a number of years after they well know that they are hopelessly insolvent, living in the meantime in affluence on the means of their unfortunate creditors. In such cases as the foregoing there are usually no proper books, and the responsible parties generally attempt to shelter themselves under the plea of ignorance of the true state of their affairs. To use the language of Mr. Hague, "it was not bad luck or misfortune that brought the ruin of this firm." We would, in conclusion, adopt the closing remarks of Mr. Hague, who told his hearers that "in order to be successful as commercial men they would require to be attentive, not extravagant, and industrious, careful and steady."

INSURANCE JOURNALISM.

The Insurance journalist has not the easiest time in the world, nor yet the plainest sailing. Happy is the one who succeeds in maintaining his good influences without laying himself open to the charges of obsequiousness or of blackmailing. We can scarcely find more than one on this continent so fortunate, but we see day by day the most damaging charges made against editors, who in their private lives are regarded as good and useful citizens. This state of affairs is not altogether unaccountable, because we have had many opportunities of following in the broad path which leads an editor to destruction.

As no man is faultless, and as our Insurance Companies are managed by human beings, it follows that many errors are made in their management; and as every person concerned in this management has been selected for some good qualities special to himself, there are many things to commend even where grave faults exist.

The commendation of these excellencies, which an insurance editor delights to have the opportunity to write, are too often set down as the results of favors received, even as criticisms of defects are attributed to a desire to extort undue advantages.

We have been approached on several occasions by gentlemen burning with their desire to eradicate all offences and offenders from the face of the earth, full of zeal for the destruction of their neighbors' faults, and careless as to whether their neighbors were left alive to atone for their follies, or perished without having first an opportunity to show that they had learnt wisdom from bitter experiences.

To all such gentlemen we have invariably replied that our mission is not to destroy or embarrass any of our institutions, but to assist in building them up and strengthening them, and that if the managers of any company have cause of complaint against their competitors, their best recourse is, not in undermining the confidence of the public, but in setting a good example to their possible rivals, and in pursuing a legitimate business course in their own daily transactions.

This reply is not always satisfactory, because it unfortunately happens that men are more fond of seeing some other men "pitched into" than of redeeming their own errors, and are rather anxious to

"Compound for sins they are inclined to,
By damning those they have no mind to."

We have other reasons for not having yielded to the solicitations of those who would have delighted to see us severely criticising various unwise actions of our