

Chicago, and staying over Sunday in St. Paul, where he attended church with a bag of money slung over his shoulder, and there experienced the only fear he had of losing it. They were taking up a collection to pay off the debt on the church, and the officers, not getting enough the first time, made the rounds of the congregation a second and third time, causing him to fear that they had designs on his bag.

"The opening of that agency in Winnipeg is responsible for my brother and myself being citizens of Chicago to-day, and thus affording us the pleasure of being your guests to-night. I trust you will excuse this digression, which I mention to illustrate how easily banking facilities are afforded new settlements under the Canadian system.

"It was a safe operation to start such an agency and to circulate the currency of the Bank of Nova Scotia in Winnipeg. The agency, as a bank, did not prove profitable. It, in fact, resulted in considerable loss, and it was afterward closed, but no one ever had occasion to question the quality of the paper issued. The loss sustained was a trifling matter to the parent bank, which went along with rapid strides, growing in strength and public confidence.

#### Different System in This Country.

"Our system is diametrically the opposite of all this. We have fostered the establishment of small, self-contained banks, and new settlements in this country must wait until they have grown sufficiently strong in population and wealth to establish banks for themselves before they can enjoy banking facilities, and after they have their banks their facilities are circumscribed by their small resources, and it can be of but small comparative advantage to them. Our policy has been to allow banks to start with a minimum of capital, and we have recently had official recommendations for the reduction of that minimum in small communities. Under systems permitting the issue of unsecured circulation the organization of new banks has been prohibited, unless they start with an aggregate of capital sufficient to afford strength to their circulating notes.

"The strength of the asset currency circulating in Canada is founded on the admirable banking system behind it; the small number of banks organized under that system, which makes it possible to have them properly regulated and controlled, and for the business communities to have an intelligent knowledge of their standing and credit, the large aggregation of capital in the banks of issue, the daily redemption of the currency and the ample facilities afforded for its redemption in all the principal financial centers, the guarantee fund maintained in the hands of the government by all of the banks for the redemption of the currency of any in case of failure, a fund only practical under such a banking system as there exists, and quite impracticable under our system.

"Before we engraft an unsecured currency on our banking system, it will be necessary for us to legislate along the line of improvement of the system, pro-

viding it with the elements of strength necessary to perform the function of satisfactorily furnishing to the business community a circulation based on its financial responsibility and credit. In my opinion, as now organized, our system lacks many of the essential elements of that strength."

#### THE GREAT FIRE AT NEW YORK.

It is not surprising to learn by the New York papers that the Windsor Hotel fire absorbs the attention of underwriters in that city, and that they are greatly disturbed by such a heavy blow, coming, as it does, after a succession of serious losses during the past six months. It will, at least, have the effect of hastening the rating work of the newly organized New York Fire Insurance Exchange. Underwriters are now clamouring for prompt action in order that the premium income of the companies may more nearly approach the recent outgo for losses. The Windsor Hotel Building was insured for \$600,000, the rents of the hotel for \$75,000, the furniture for \$120,000.

The entire insurance loss, including damage to adjoining buildings and contents and the personal property of guests of the hotel is stated by the N. Y. "Journal of Commerce" to amount to "just about one million dollars."

#### PERSONALS.

MR. THOS. HOW, Manager of the Bank of Toronto at Montreal, is contemplating a brief holiday in the sunny fields of Virginia, and will be accompanied by Mrs. How.

MR. FRED. H. JOHNSTON, son of Mr. H. J. Johnston, Quebec Manager of the Confederation Life, is making his mark as an actuary in the service of the Prudential Life of Newark, N. J., which Company he now serves as Assistant Actuary.

MR. J. H. BOOMER, Manager of the Manchester Fire, and also controlling the American Fire in Canada, has been in Montreal during the past week. Mr. Boomer recently appointed Mr. C. R. G. Johnstone as agent of the American Fire in this city.

MR. D. R. WILKIE, General Manager of the Imperial Bank of Canada, was in the metropolis on Monday last. Mr. Wilkie, when questioned as to the condition of business in Toronto, expressed the opinion that there was a marked improvement in everything likely to contribute to the growth and improvement of The Queen City.

MR. W. T. KIRBY, of Winnipeg, has been on a visit to Montreal. Mr. Kirby is an enthusiastic believer in the future of Winnipeg, and, when referring to its rapid growth in size and importance during the past few years, stated that the only thing now wanted to ensure the prosperity of Manitoba and British Columbia is population sufficient to develop the wonderful resources of the country.