

of the King," is specially interesting in the glimpses it affords of by-gone days.

It would appear, then, that from 1800 to 1815 communication between the Mother Country and Quebec was more or less hazardous and uncertain in consequence of the privateering, etc., of the French and American wars. At the same time people wanted insurance, for fires "were frequent, and often destructive." About ten of the British offices or underwriters had representatives among the merchants of Quebec, who, "though certainly very respectable," did not guarantee the obligations entered into by them for their principals three thousand miles away. It was the custom to stipulate, before accepting an insurance, that if a fire occurred and did damage to the extent of more than £300 the amount must be claimed direct from the assurers in Britain; and further, that if a loss of less than £300 occurred, and was disputed by the local agent, the claim also must be made direct. With epistolary communication conducted by sailing ship, and interrupted by war, it is not surprising that annoying delays in settlements occurred. In fact, cases were known where settlements had been pending nine years without question of *mala fides*. Difficulties were aggravated by lack of knowledge on the part of the insured as to what would be required as proof by the British insurer, and on the other side by lack of acquaintance with local terms and conditions. Rates, too, were high and purely arbitrary. They were limited only, as the public claimed, by their inability to pay more. English directors laid down rules and made distinctions, "odious, inconvenient, and even ridiculous," owing to their lack of acquaintance with the country. For example, they divided Quebec into three districts, the Lower Town and two others to the north and south of Rue St. Jean.

"Although buildings in the Lower Town were mostly of stone, with very little wood, and had tin roofs, and were near the St. Lawrence (much nearer than they are now, for the portion of the shore where most of the handsome wholesale warehouses now stand had not then been filled in) they could only be insured by paying very nearly one-quarter of their annual rental value for insurance."

For the St. John districts, the more southerly, though lower and nearer the river, the rates were fifty per cent. higher than in the northerly district. This was evidently a burning question with the inhabitants of "La bonne vieille Ville," and their anger was by no means lessened when they reflected

"That the City of Montreal, which has always suffered much more by the accidents of fire than our capital (note well the slight implied; Quebec was the capital) has nevertheless always passed for being much less dangerous for fire insurance purposes than our Capital, even in its least exposed parts."

Our unknown writer now brings in a compliment to British fire insurance institutions which it is gratifying to think is still merited. "If these difficulties exist in conducting affairs with the British companies, who have always enjoyed the most respectable reputations, and whose integrity in commerce is indisputable," what were the tribulations of those who were induced by "dishonorable agents" to insure with American companies? The hardy "wild-cat" must have begun to flourish early. It seems that sharp-witted parties, representing companies said to be joint stock, and hailing "from some unknown village in some one of the United States," "jealous of the commercial prosperity of Great Britain and her col-

onies," used to come to the Canadas and secure premiums for policies, which, in case of loss, turned out valueless"; and here follows a passage that might be taken from some utterly up-to-date anti-Cobdenite publication. It referred to the iniquity of allowing such things while no British subject "under any circumstances whatever was permitted to do insurance business in the United States; and, indeed, the States denied each other the privilege among themselves." It would seem, too, that even in eighteen hundred and odd the Yankee had acquired a reputation for "cuteness," for we are assured that these wicked agents "passent pour être très expérimentés dans les affaires"; and further, their sole object "was not the amelioration of the Provinces, but to gain money to spend elsewhere."

SIGMA.

COMPANY PROMOTION.

For several years previous to the autumn of 1902, the number of new companies organized and incorporated was probably unprecedented in the history of the development of Canada. As is always the case in periods of this kind, there were a very large number of spurious promotions, for the public when their attention is once attracted and centred on a particular kind of investment usually lose their better judgment entirely and invest their money in a great many questionable enterprises. As the period above mentioned saw a multitude of new companies on the financial horizon, so the past two years have seen a great many of them disappear entirely, much to the chagrin of the average investor. Looking back over the financial field this past five years, it seems almost certain that the number of liquidations to follow during the next several years will be very much augmented.

It is interesting to note the view that the courts of law have taken during these periods in reference to company promotion in general, and in reference particularly to probably one of the largest promotions of recent years in Canada, viz., "The Canada Cycle and Motor Company, Limited." Respecting this case, we may remind our readers that early in the year 1899 there were a number of large plants throughout Canada which were turning out large numbers of bicycles to satisfy a demand for those machines that was apparently increasing enormously each year, and to which there seemed then to be no limit. At this time one Jaffray conceived the idea of amalgamating all the existing bicycle companies into one large organization, and in company with one Evans, a bicycle manufacturer, with whom he made a written agreement as to the division of profits arising from the promotion of the amalgamation, set about to carry out his plan. This agreement between the parties above provided for the equal division between them of such profits as were earned.

The man Jaffray, after doing all he could toward carrying out his plan, was almost beaten, when he encountered one Ryckman and laid his scheme before him. The result of their conversation was that Ryckman undertook to interest a number of capitalists in the undertaking, and agreed to take over the options of all the large bicycle plants which Jaffray had previously secured. Jaffray was thus relieved more or less from the actual worry and work of perfecting his scheme. Subsequently Ryckman interested Messrs. George A. Cox, Warren Y. Soper, the late W. E. H. Massey, and others, in the proposed enterprise, and one of these men on behalf of his associates offered Jaffray a commission of \$50,000 in the event of the consolidation being accomplished.

A large company was consequently formed with an unduly large capitalization, known as the Canada Cycle and Motor Company, and these options on the various bicycle plants throughout the country were closed out and the property sold to the new company at a very large profit. The amounts received by the various men who assisted in the promotion of the company were very large, and if the demand for bicycles had continued to increase in the way in which its promoters apparently thought it would, we should not likely