

2. Remember the estimated cost of incendiarism in Canada for 1893 is \$1,263,172.

3. The hope of lower rates of insurance, and perhaps the prevention of higher, rests in a lower general loss ratio.

4. Procure for your town the best fire appliances you can purchase, and as most important, whatever you provide, see that it is kept instantly available at all hours of the day and night.

#### A HISTORY OF CANADIAN BANKING.

The materials for compiling a history of banking in Canada are extensive, but are so scattered as to render it a work of great labor to make their acquaintance. It is known to us that some progress has been made by a Canadian writer to focus, as it were, all these materials into a book, but the work has now been done by an American, Dr. Breckenridge, the first part of whose history of the banking system of Canada appears in the *Journal of the Bankers' Association* for December. The writer very justly, in his introduction, points out that our system is *composite* largely based on that of Scotland, with features developed by the special conditions of Canada. In regard to Canada's currency he asks these vital questions: "Is it ultimately secure? Is it immediately convertible? and, Is it elastic?" To these he gives the reply. "These queries may be answered in the affirmative. Canada and Scotland have each a safe and in expensive currency at all times adequate in volume and never inflated." This testimony, from so impartial an expert judge, is decisive, especially when it agrees with the verdict pronounced in 1890 by the *New York Commercial Bulletin*, which said of Canadian banking: "We know of no system that more closely conforms to the best and broadest economic ideals of banking, and none better qualified to supply the daily fluctuating wants of trade with a safe and convenient circulating medium." The city of Montreal was the birthplace of banking in Canada. In Oct., 1792, notice was given in the *Official Gazette* of the organization of the "Canada Banking Company," which turned the first sod of this enterprise, but went little further. In 1807 a similar effort was made at Quebec but failed. Meanwhile the country was heavily handicapped for lack of banking facilities, and the currency, chiefly "Army Bills," being so unsatisfactory. In 1817 steps were taken to found the "Bank of Montreal," with a stock of \$1,250,000. In August that year this institution commenced business in this city, as the first bank of discount, deposit, and issue in Canada, and which is now "the greatest bank to-day, not only in the Dominion, but in the whole of North America." Dr. Breckenridge shows how the early charters of our banks "embodied the essential principles of Canadian banking." The system of having branches was adopted very early by agencies being opened at Kingston and Quebec, with one also in New York. The history proceeds to show the successive stages by which our banking system was developed, illustrated by tables of statistics that have been very carefully compiled, as

we have found by reference to original authorities. Mr. Plummer of the Bank of Commerce, who has charge of the *Bankers' Journal*, has done the public a service by securing this history for that publication. The current number of the *Journal* brings the history up to 1850; it will be completed in the issues of current year, and should command a large sale for these numbers. It will no doubt take a bookform ultimately, and will be a highly prized volume.

#### LONDON AND LANCASHIRE FIRE INSURANCE COMPANY.

Mr. Alfred Shortt, general agent of the London and Lancashire Fire Insurance Company for Nova Scotia and Prince Edward Island, referring to our summing up of the past year's record in Canada in last issue, writes to remind us that the London and Lancashire did not retire from Nova Scotia and Prince Edward Island because the business up to date had not been profitable, but because the English management were afraid of conflagrations in that field. It is a fact that Mr. Shortt's Head Office expressed regrets at the severance of the connection, and acknowledged its profitableness up to date. Their average annual loss ratio for twelve years in the Province of Nova Scotia and Prince Edward Island under Mr. Shortt's management was only 28 percent of the net premiums.

#### THOUGHTS, FOR AND ABOUT AGENTS.

BEGIN THE YEAR, if not already a subscriber, by ordering the CHRONICLE.

AN ACCOUNT sent in to your Head Office, without the necessary draft to balance same, is like the play spoken of where the principal character is left out.

WHEN OFFERED unusual lines, more especially if on unusual risks, or upon anything out of the usual order, as regards class, location, rate, form and so on, you will best serve the interests of your companies, by submitting the risk for approval before binding the insurance.

PROMPT DEALING agents who do their work correctly and well may be reckoned chiefest among the few comforts and solaces appertaining to the fire insurance business these trying times.

McBRIDE, ROGERS & CO. vs. Rinard & Williams, insurance agents of Braddock, Pa. This firm gave their insurance to Messrs. Rinard & Williams to place, and \$1,000 of it was so placed in an unauthorized and worthless company. A loss resulted, and the company being a wild-cat, failed to pay it, and the action was brought to recover from the agents above named. Verdict has been given in favor of the plaintiffs, the agents thus being held under the laws of the commonwealth personally liable. This is a precedent worthy of note. It is well known that occasionally an agent is found in Canada who, illegally, effects fire insurance outside the Dominion for a client kicking against the local rates, and anxious for cheap insurance. Now, if any such reads these lines, he should stop and consider what position he would be found in, if some day the client with a claim on a bankrupt insurance company should demand of him personal recompense.

"THE MAN who sits down and waits to be appreciated will find himself among uncalled for baggage, after the limited express has gone by."—*Exchange*.

"WE DO NOT KNOW of a higher mission than that of the insurance