LONDON LLOYDS AND THE WAR.

The European war disturbance has already had an important effect on the attitude of some of the banking houses which have been carrying Lloyds, London, blanket policies covering the fidelity of their employes and officers as well as the bank's burglary and robbery hazard. It is learned several leading banks of Boston have decided to cancel their Lloyds, London, contracts and seek protection with the regularly admitted companies.

Dealing with this phase of the situation created by the conditions now prevailing in Europe, President William B. Joyce of the National Surety Company has issued the following letter to bankers, agents and brokers.

"The present European situation will, no doubt, cause you to seriously consider whether or not your Lloyds' policy of insurance covering the employes of your bank is adequate protection at this critical time. In times like these Lloyds' Underwriters may be in a rather uncertain condition financially. At least brokers would have reason to consider very carefully the real value of any insurance executed by the Lloyds' Underwriters in war times. It is stated that $30,000,000 of money has been sent to Europe and is yet unaccounted for. If this were insured it might completely wipe out many, if not all, of the Lloyds' Underwriters. Then there is to be considered the effect upon Lloyds' resources for marine losses, which might be enormous, especially if the war hazard has not been excluded from these policies. It has already been reported that there have been captures of several mercantile ships insured by Lloyds, which in all probability will result in the loss of the entire sum insured. The Lloyds, besides assuming a great amount of 'war' risks by including the 'war clause' in all marine policies, have also issued a great number of speculative policies covering the contingency of war between any of the powers of Europe. Any such policies so issued, now means a total loss of the face amount, which undoubtedly will result in a very heavy loss to the underwriters, in addition to the legitimate marine losses.

"Assuming Lloyds will not become financially crippled by reason of heavy losses, to make no reference to the other serious situations in which Lloyds finds itself, it would be rather difficult at least to get your money for losses, and, after all, that is what you pay for; but will you get it while the 'moratorium' is in effect in England? Other serious delays may reasonably be expected. It is in times like these that you want your money if a loss occur. An impressive looking contract is valueless unless there are real assets to support it."

INSPECTION OF MONTREAL BUILDINGS.

By a decision of the Montreal Board of Control this week all those who have been engaged as firemen inspectors must qualify as regular firemen of the city fire brigade. There are 37 of these inspectors and according to remarks made by Chief Tremblay, a number of those taken on cannot pass an examination to be firemen. One of the inspectors, he said, was but 17 years old and another was 52 years of age.

As the board has already approved of the project, what was decided was to authorize Chief Tremblay to prepare a report giving the result of his examination with the further understanding that those found undesirable would be replaced by others.

HUGE AGGREGATE OF WORLD'S TRADE.

The world's commerce, the greater part of which may be tied up as a result of the European war, approximates $40,000,000,000, according to statistics compiled for 1913 by the Bureau of Foreign and Domestic Commerce of the Department of Commerce at Washington.

The world's commerce was computed on the basis of seventy-five countries and political groups, whose combined imports were $21,000,000,000 and whose combined exports were $19,000,000,000. The excess on the side of imports was due to the fact that many of the countries importing goods count the costs of freight, insurance and the like, as part of the total valuation of their imports. The figures obtained have no reference to the purchases made by travellers and invisible trade settlements in the form of gold, silver, securities and other evidences of value usually omitted from statements of commerce, but necessarily constituting an important factor in the balance sheet of nations.

The older and more advanced nations, for the most part, show an excess of imports over exports of merchandise, notable examples being the United Kingdom, Germany, France, Belgium, Switzerland, the Netherlands and other European countries; while nearly all the American countries show larger exports than imports, this being true of the United States, Argentina, Brazil, Cuba, Colombia, Mexico, Central America and Venezuela. Russia, Rumania, Servia, Egypt, India and Java also show a preponderance of exports over imports.

The United Kingdom has a foreign trade of $6,830,000,000, its imports are valued at $3,741,000,000 or $652,000,000 in excess of all exports, domestic and foreign. Germany in 1912 had a foreign trade of $5,059,000,000, imports being $2,754,000,000, or $449,000,000 in excess of all her exports. France showed a total trade of $2,884,000,000 in 1912, her imports exceeding her exports by $293,000,000.

BANK TAXATION.

The four general principles for taxation are: equality, certainty, convenience and economy.

The Provincial Treasurer for Ontario, in increasing the taxation on banks, has undoubtedly complied with the last three. It is doubtful, however, whether the first can be included.

The canon of equality means to say that a tax should be levied in proportion to the revenue which an individual or corporation enjoys under the protection of the State.

It is well known that many new branches of banks are conducted at a loss for a number of years, so that any increase in taxation will necessarily tend to discourage banks from opening branches in small communities, consequently depriving many people of the advantages of a bank in their district.

The following is an example of the increase made:—

Taking a bank with paid-up capital of $2,000,000; head office and 100 branches in Ontario.

	Old Tax.	New Tax.
1-10 of 1% on capital	$2,000	$2,000
Head Office	100	1,500
100 branches	2,500	5,000
	$4,600	$8,500

showing an increase of $3,900. It is difficult to say on whom this taxation will fall, as naturally the banks will not want to write it off as a charge without an endeavor to recover it elsewhere.—*The Teller.*