

side. But he presses forward not deterred by opposition or hostility. He is, of course, in command of the best legal advice as to the validity and legality of his different movements. The point is that he seems to be running counter to the good will of a large body of his fellow countrymen and doing so with confidence that he is in the right and within the laws.

It will be exceedingly interesting to see the outcome of the two policies. The investigation of the Harriman system, instituted a couple of weeks ago, will be watched closely by everybody. It may have important results. One thing seems clear. The Pennsylvania is safe from any governmental attack. The other system is now passing through the test. It may be invulnerable, but some time will elapse before that is proved.

BANK OF NOVA SCOTIA.

A record covering three-quarters of a century is marked in signal manner by the 75th annual report of the Bank of Nova Scotia. A detailed statement of the bank's strong position was given in THE CHRONICLE of last week, but some analysis of its more salient features will prove interesting. During 1906 the paid-up capital was increased from \$2,500,000 to \$3,000,000. The net earnings for the year were \$653,516 or almost 24 p.c. upon the year's average paid-up capital of \$2,735,361.

This was an advance upon even the previous years' corresponding showing of about 21 p.c.; the then profits being \$478,507 upon an average capital paid-up of \$2,220,000. It is, of course, partly due to the exceptionally large reserve fund held by the bank that its rate of profit ranges so high. At the end of 1905 the fund stood at \$4,200,000 or 168 p.c. of the paid-up capital. During 1906 there was added to it \$1,050,000 made up of \$840,000 premium on 5,000 shares of new stock issued at 268, and \$210,000 from earnings. Thus, at the beginning of 1907 the surplus fund stands at \$5,250,000, or 175 p.c. of the paid-up capital of \$3,000,000.

The position of the bank as to deposits is another important contributing factor to its profit-making power. The annual statement shows these as totalling \$25,061,007, as against \$23,253,459 in the year preceding.

This year the bank's balance sheet bears the certificate of two chartered accountants of Edinburgh. Their signatures will be considered by many as altogether superfluous when appended to a statement signed by so skilled and careful a General Manager as Mr. H. C. McLeod has proved himself to be. More and more since removing its head office to Toronto, the Bank of Nova Scotia is making itself felt as an important factor in the finan-

cial progress of Canada. Its business is extending steadily throughout the Dominion and Newfoundland, as well as in the West Indies, where it has established a system of branches.

TAXING FOREIGN INSURANCE COMPANIES.

A supplement to the Pacific Underwriter has just come to hand giving a summary, as yet necessarily incomplete, of the amounts of the fire losses paid in California during 1906. The totals as given for the whole state are as follows:

	Amount Written.	Premiums.	Losses paid.	Ratio.
California Companies.....	\$7,680,275	\$ 178,964	\$1,826,539	1,020.6
Other U. S. Companies.....	351,371,446	6,742,909	61,680,952	914.7
Foreign Companies.....	275,674,456	5,639,827	63,581,732	1,127.3

The striking feature of this exhibit is that the losses stated to have been paid by foreign companies exceed those of the United States companies, though the amounts of insurance in force and of premiums were less.

Particularly interesting in this connection is the proposed bill now before Congress levying a tax of five per cent. on the gross United States premiums of foreign insurance companies, to be paid into the United States Treasury. The old, old reference to the goose and the golden egg was never more *apropos*. Not merely San Francisco's business, but many and varied interests all America over, would have suffered an irremediable blow, but for the insurance indemnity afforded by British and foreign companies. Broad-minded business men in the United States should be the first to recognize the importance to that country's commercial prosperity of making the transacting of fire insurance—and of life insurance also—more easy rather than more irksome for foreign companies. The history of American fire insurance with the British companies left out would be a vastly different record than that which the years show. Certainly the "year two of the quake," as the San Francisco dailies phrase it, seems a strange one in which to force heavy taxation upon companies whose continued presence in the country has a strengthening value that is almost inestimable.

ROCHESTER GERMAN INSURANCE COMPANY.

The Rochester German Insurance Company has attracted the favourable attention of the insuring public by recently providing for a paid-up capital of \$500,000. After charging off all doubtful assets, the company is now able to report to the various insurance departments where it does business a net surplus of upwards of \$530,000. The company's Montreal Manager, Mr. P. M. Wickham, reports that the head office building at Rochester is to be greatly enlarged by the addition of a magnificent ten-storey extension.