

banking institutions, the consequences might be most disastrous not only to the bank itself but to the whole business of the country. I shall not here refer to the moral aspect of the question further than to say that the ruin brought upon many firms and individuals during the last few years, and daily coming to light, should lead bankers to pause in giving facilities for transactions so ruinous to those who engage in them.

If the banks are desirous of confining their loans on bank stocks to what may be considered legitimate borrowers, let them decline to loan to stock brokers unless when the names of the principals are given and the nature of the loan explained. Let them also number all the bank shares, so as to enable borrowers to see that their stocks have not been re-loaned to enable speculators to sell short. If this course were unanimously adopted by the banks the wild and reckless gambling in bank stocks now carried on would be largely diminished if not entirely put an end to.

I am, &c.,
PUBLICOLA.

Montreal, 6th April, 1876.

THE STADACONA.

To the Editor of *The Journal of Commerce*,

DEAR SIR,—If the Insurance superintendent happens to peruse the statements of the Stadacona Fire and Life Insurance Company which appear in the 11th of February issue of the *Monetary Times*, it may possibly occur to him that its statement of assets and liabilities requires modification.

It is possible that he may object to the appearance of \$22,720.94 for "preliminary expenses carried over to next year" among the assets of the company. He may even come to the conclusion that money which has been actually expended, and for which no value received whatever remains, cannot, under any circumstances, be regarded as an asset. It is quite within the range of probability too, that he may think that the absence of "Reinsurance fund" and "amount allowed for Dividend No. 1," from the list of the liabilities of the company, are grave omissions. And he may also pertinently ask from whence is "Dividend No. 1" derived.

It is time that people who insure should understand thoroughly what the term "Reinsurance fund" implies. In plain language it is that sum of money which one company giving up its business would have to pay to another company for undertaking that business; or, in other words, for *reinsuring* all its outstanding risks. And unless a fire insurance company can show that it possesses means sufficient to pay for such reinsurance, its position denotes not only want of success, but lack of security. As regards the Stadacona, its "reinsurance fund" should amount to fifty per cent. of its premium receipts at least. If, however, it issue policies for terms longer than one year,—and it is very probable that it does,—this fund should be represented by larger figures. For the present purpose it is assumed that fifty per cent. of its premiums is used to represent the requisite reinsurance fund for the Stadacona. But to ascertain what the actual amount of those premiums was requires a little calculation. The "net" amounts of them is said to have been \$189,009, which, if ten per cent. be the commission allowed agents,—and that is quite within the mark,—would indicate that \$203,300 had been within the amount received from that source. The omission of such items as "reinsurance fund" and "dividend" from a liability sheet, may seem to be unimportant to people who do not pay much attention to the subject; but, when supplemented, they make a marked change in the figures of a company. Witness those of the Stadacona.

In the following amended statement of the affairs of the Fire department of the Stadacona Fire and Life Insurance Company, its liabilities, because of their bigness, have the precedence:

LIABILITIES.

According to published statement	\$207,769 40
Reinsurance fund, being 50 per cent. of fire premiums received,	
\$203,300.....	101,650 00
"Amount allowed for dividend No. 1".....	17,800 00
	\$327,219 40

ASSETS.

According to published statement	\$293 797 01
Less "preliminary expenses carried over to next year's account,"	22,720 94
	271,076 07

There is therefore a deficiency of \$56,143 33

instead of a surplus of \$68,227. Of all things in the world of finance, the assets of a fire insurance company in its published statements should be represented by their actual value; and if they are not so represented, they are misrepresented and their misrepresentation is a fraud.

There is in the assets of the Stadacona an item which amounts to \$12,760.03, representing "the value of office fittings, furniture at head office, branches and agencies, including safes, maps, &c., &c."

Are these "fittings," "furniture," "safes," and "maps" worth \$12,760?

Are they worth \$6,000? Would they realize \$1,000. And these are not impertinent questions to ask the Directors of a Company who permit "preliminary expenses" to occupy a prominent position among its available assets.

Another item "interest accrued," for which the Stadacona has an evident partiality, occurs twice. It amounts to \$954.50. Small as it is, however, it appears among the receipts of the Company as *having been received*, and among the assets of the company as *having to be received*. How did the auditors, Messrs. Chas. Prendergast and Alfred Paré, get over that little difficulty?

Will the aforesaid auditors also explain what is the meaning of "Profit and Loss from 1874 account \$20,267.95" in the receipts of the Company; and of what "Balance surplus \$58,221.04" is composed, in its expenditures. Notable is the absence from the receipts of the Company of the cash balances of the preceding year, and from its expenditure of the cash balances of the year just expired. Why not have stated how much on hand on the 31st December 1874, and how much on the 31st December, 1875? No statement is either complete, or reliable, unless this information is given. The *Monetary Times* in noticing the Company, remarks that "its report reflects seriously upon the way the business has been done"—but "will be glad to find it improves its position and increase its strength as it grows older."

It might have recommended the company to adopt the practice of economy, to give up that of "cutting rates," and never to declare dividends until in possession of an "actual surplus" from which to declare them.

The "Life department" of the Stadacona suggests, with its fifty-five accepted applications, the necessity for reinsurance, but no such charge appears in its disbursements.

STANDARD RATES.

Galt, Ont., February 26th, 1876.

The Travellers insures against general accidents—not accidents of travel only, but the thousand and one casualties to which men are exposed in their lawful pursuits. It issues policies for the year or month, which are written without delay by any authorized agent. It insures men of all occupations and professions, between the ages of eighteen and sixty-five, at premiums which are graduated by the occupation and exposure. The rates are low, varying from \$5 to \$10 a year for each \$1,000 insured, (for occupations not classed as hazardous) covering both fatal and non-fatal disabling injuries.

The Travellers invites attention to the very large number of losses actually paid, (21,500) to the large amount disbursed in cash benefits to its policy holders, (over \$2,000,000,) averaging *seven hundred dollars a day* for every working day since the company began business, and especially to the small cost in proportion to the possible benefits.

The head office for the Dominion is in Montreal under the management of Messrs. Foster, Wells & Shackell.

Commercial.

MONTREAL GENERAL MARKETS.

MONTREAL, APRIL 6th, 1876.

No new developments to characterize the business of the week. According as the season advances evidences of a more hopeful feeling appear; and there is a general impression that with so much purchasing power in the country, it only requires a continuance of the present prudential policy on the part of importers and manufacturers to bring about a change for the better as soon as we are ready for it. The trade in Groceries is quiet. The demand for season goods from the Maritime Province, is beginning to be felt. A fair quantity of boots and shoes is being shipped to St. John, and other points this week. A good way buyers are in town and purchases continue encouraging. Remittances continue fair. Money is still easy at the banks and all requirements for legitimate purposes are reasonably met.

ASHES.—The receipts of the week have been very small, and demand fair though there are few buyers. About 100 barrels first Pots have been sold at \$4.42 and 4.45 for light to ordinary tares, and a few choice tares at \$4.50. Seconds are, \$3.50 and Thirds \$2.75, little doing in the absence of receipts. *Pearls*.—Are purely nominal, none have been received since 15th March, and there is absolutely no enquiry, the quantity now in store will be sufficient to meet the demands for a year. The receipts for the year have been 2668 barrels Pots and 251 barrels Pearls, the deliveries 1080 barrels Pots and 52 barrels Pearls, and the stock in store this evening is 3669 barrels Pots and 1204 barrels Pearls.

BOOTS AND SHOES.—Very little business now doing except in completing orders in hand. Prices steady at former rates. A good sorting up trade is looked for, as business is improving in the country, and stocks are light. We quote as in *Prices Current*.

CATTLE.—At the St. Gabriel Market on Monday, trade was dull and holders of cattle were asking slightly higher prices than last week. There were altogether 17 car loads on the market. The following were the various sales effected, the places of shipment and the selling rates:—Galt, 1 car, sold 10 head at 4½¢. Toronto, 2 cars, sold 20 head at 4½¢. Stratford, 1 car, sold 8 cattle at about the rate of 4½¢. Oshawa, 3 cars, averaging 1,160 lbs per head, sold at \$3.90 per 190 lbs. live weight. Guelph, 1 car, sold 6 cattle at 4½¢. Port Hope, 2 cars, sold 4 steers, averaging 1,000 lbs each, to the North America Meat Packing Co., at 4½¢. Toronto, 1 car, sold 12 head, averaging 12,00 lbs each, to various parties at about 5¢. Guelph, 1 car of cattle and 1 car live 3 hogs of the cattle he sold 4 extra steers, averaging 1,250 lbs, at 5¢. Brampton, 1 car, sold 1 bull for \$85; 2 steers, averaging 1,150 lbs, for \$54.50; 5 steers, averaging 1,100 lbs, for \$49 each; and 3 steers, averaging 1,200 lbs, for \$170 the lot. Everton, 1 car, sold 2 cows for \$128; 3 steers at 5¢; 2 oxen for \$168; and 6 head for \$45 each. Guelph, 1 car, of cattle, sold 7 head averaging 1,250 lbs. each, at between 4½¢ and 5¢. On Thursday last 19 cattle were sold to the N. A. Packing Co. at 4½¢, with \$10 off the lot. Calfskins, sell at 10¢ a lb. Sheepskins, \$1.25 to 1.50 each; Spring lambskins 25¢ each; Tallon rough 5¢ a lb.

DRUGS AND CHEMICALS.—There is moderate demand for goods, principally light articles,