

will be of interest to compare the banks' present condition as to readily available funds with the mid-year showing of 1908 and 1907. On a basis excluding Canadian inter-bank items the comparative showings may be seen from the following:

RELATION OF RESERVES TO IMMEDIATE LIABILITIES
(000's omitted).

LIABILITIES.	June, 1909.	June, 1908.	June, 1907.
Dominion Government deposits....	\$ 6,249	\$ 8,773	\$ 5,191
Provincial Government deposits....	16,393	10,836	10,450
Deposits of the public "demand"....	226,480	161,218	170,042
Deposits of the public "notice"....	455,178	339,286	419,418
Deposits elsewhere than in Canada..	69,260	65,453	59,176
Total deposits.....	\$773,790	\$645,566	\$664,277
Note Circulation.....	\$ 70,170	68,154	75,511
	\$843,960	\$713,720	\$739,788
* Less notes and cheques other Canadian banks held.....	34,600	27,431	29,517
Net liability.....	\$809,360	\$686,289	\$710,271
*This item is deducted because it represents obligations of the banks held by themselves.			
AVAILABLE ASSETS.			
Specie and legals.....	\$ 93,373	\$ 74,693	\$ 69,656
Net foreign bank balances.....	35,219	25,759	6,970
Foreign call loans.....	115,255	52,256	55,299
	\$243,847	\$152,708	\$131,925
Per cent. of liability.....	30.13	22.25	18.57

A striking contrast the 1909 position affords to the tight-money conditions which ruled on the eve of crop-moving in 1907. But it is to be taken into account that if this year's crops come at all up to expectation in quantity and quality, high grain prices will necessitate considerably larger lines of credit in connection therewith than ever before. With continued increases in general commercial demands, the passing of monetary redundancy in Canada may be a matter of the not very distant future.

**DOMINION AND PROVINCIAL JURISDICTION
OVER FIRE INSURANCE.**

A fire insurance case of more than local interest is just now in progress at Montreal. The hearing of evidence was commenced this week in the action entered before Judge Leet by the Canadian Fire Underwriters' Association against the Willis, Faber Co., Ltd. The charge is that of doing an unlicensed insurance business in violation of the present Dominion Insurance Act. Section 60 of the Act inflicts a maximum penalty of \$50 and costs for a first proved infringement of the law, and imprisonment with hard labour for a second or subsequent conviction. According to the statute, every person who (a) delivers any policy of insurance or interim receipt, or (b) collects any premium or (c) in any way carries on business on behalf of an unlicensed company, shall be subject to the penalty on summary conviction before any two justices of the peace.

The firm which is defendant at Montreal in the present case is practically the same concern as the Willis, Faber Company, Limited, of London, its business being chiefly in connection with Lloyd's underwriters. A copy of the firm's agreement with that institution is now in the hands of Judge Leet.

The examination for the prosecution is being conducted by Mr. Charles Gaudet, K. C., and the ac-

cused company is represented by Messrs. Campbell & Meredith, with Mr. Aime Geoffrion, K. C., as counsel.

It was understood from the first that one of the pleas in defence will be that the company does business under the Quebec insurance law and that no Dominion jurisdiction can apply in the matter, since the Quebec law provides that business may be placed with non-registered companies if a permit be granted the insured and taxes be paid upon premiums.

The case may therefore bring to a head latent complications between provincial and federal regulations. If it leads to a clearing up of some ambiguity, good service will be done alike to the insurance business and to the public generally.

The matter of relative jurisdiction is of especial interest in view of the provision in the new insurance measure now pending, whereby insurance may be placed with non-licensed foreign companies only on condition that a tax on premiums be paid to the Dominion Government. The question has already been discussed in insurance circles as to whether the Dominion tax could be enforced where a policyholder had already paid a provincial tax, however slight, upon premiums collected by a non-registered company.

As has been more than once urged in these columns of late, there is a growing need for the provinces and the Dominion "getting together" in matters of insurance legislation and supervision. The confusion and evil that arises from state diversity in regulation has its warning in United States conditions. The public itself will most suffer if it becomes the general thing for companies evading Dominion supervision to compete with regularly established concerns by availing themselves of less stringent provincial conditions. The matter is one to which the next Conference of Premiers may well give careful attention.

SECTIONALISM IN LIFE INSURANCE.

Financial conditions during the past year or two seem to have given their quietus to more than one project for adding to the number of Canadian life insurance companies. And in some instances this has been just as well. More recently, the call of the promoter is again heard in the land. In one case, particularly, local pride and enthusiasm are being strongly appealed to in connection with a projected company in the West. Hitherto, Canada has pretty well escaped that mania for local life insurance companies which lays hold upon sections of the United States—more especially the South and Southwest. Indeed, a horrible example of what Canada may well avoid is now being furnished by Texas. Foremost among the States in its efforts to localize life companies' investments, it is in a fair way to reap the just reward of its narrow sectionalism. The insurance commissioner is well nigh in a panic over the unprecedented activity in the sale of local insurance company stocks throughout the State just at this time. In fact, it seems that a large proportion of the insurance agents have quit the sale of insurance, and have gone permanently into the business of selling stocks in new companies or in established concerns, and a number of companies seem to be turning their attention to transacting the business of