

in the conduct of the small banks, and every bank has more or less warily kept its eye on the circulation account of its neighbor and speculated as to the condition of its assets. Indeed, we think that the existence of this fund and the provisions surrounding it have been the means of originating a new movement in Canadian banking, in the direction of mutual supervision and assistance, which is none the less important and valuable because the general public is scarcely yet cognizant of it. And the new Act will probably take a very long step upon the new road.

Section 55 is also peculiar to the Act of 1890. It provides that every bank shall arrange for the redemption of its notes at par at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg and Victoria, and such other places as the Treasury Board may from time to time designate. The object of the section is plainly set forth in the marginal note, thus: "Notes of bank to be payable at par throughout Canada." As already explained, it was previously usual for a discount to be charged, say, at Halifax on the notes of a bank located at Toronto, if that bank had no branch within convenient reach.

This provision, desirable though it be, has, however, brought an evil in its train, which must be obviated. Quite a number of the banks now at busy seasons find their circulation up to the legal limit. Under these circumstances, instead of using Dominion notes, they make arrangements with some other bank whose issue is still below the limit, and issue its notes, usually if not altogether, at branches where that bank has no agency, and at a distance from a redemption point. The consequence is, that other banks receiving these notes, which have perhaps been issued by a bank next door, are put to the trouble and expense of sending them by express to the nearest redemption point, losing not only the cost of expressage but the interest for several days upon considerable sums of money. This matter has frequently been brought before the Canadian Bankers' Association, and will be found discussed, sometimes, hotly, in its published transactions, but it remains for Government to formulate some plan to destroy this parasite which has attached itself to section 55. We suggest that every bank which issues the notes of another bank shall be compelled to redeem them, at least, at the issuing branch, a distinctive mark being placed upon such notes for identification.

This might be incorporated in section 56, to which we shall refer next week, and which provides that a bank shall redeem its own notes at whichever branch they may be presented.

(To be Continued.)

EMPLOYERS' LIABILITY ASSURANCE CORPORATION.

Messrs. R. I. Griffin and C. W. I. Woodland have been appointed joint managers for Canada of the above corporation, to succeed Mr. F. Stancliffe, who has gone to reside in England.

Mr. Griffin has been identified with the Employers' Liability since it began business in Canada in 1886, and his thorough knowledge of the business will make his promotion a good one for the Company.

Mr. Woodland has an excellent record in Western Ontario, where, as a chief agent for the Company since 1895, he showed a large increase in business yearly. He was previously associated with the London Guarantee & Accident.

The progress of the Company in Canada is indicated by the following figures, premium income, 1897, \$34,000; premium income, 1898, \$52,715; premium income, 1899, \$68,386.

The Company will transact a Sickness business in addition to Liability and Accident in future.

The general agent for the city of Montreal is Mr. H. J. McKeon.

MANUFACTURERS' LIFE INSURANCE COMPANY.

The thirteenth annual report of the transactions of the Manufacturers' Life shows that the company has good reasons for claiming that the year 1899 was to them one of "substantial growth and prosperity." An increase in new business, assets and income is, in itself, a subject for congratulation; but Mr. J. F. Junkin, the managing director of the company, has something else to be proud of. He has secured these satisfactory results, and, at the same time, has been able to effect a reduction in the expense ratio of management.

The total increase in premium income amounts to \$71,444, of which \$22,000 represents new business. The total income for the year was \$594,981, and the total expenditure was \$298,934, thus leaving \$296,047 to be added to the reserves and surplus. The net death-claims of the year amounted to \$109,573, being about \$8.00 per \$1,000 of mean assurance in force, a result said to be "well within the loss provided for in the tables of mortality." The assets exceed \$1,800,000, and fifty per cent. of this sum is invested in first mortgages on real estate, and over twenty per cent. in municipal bonds. The amount of new policies issued was \$3,440,076, an increase over the preceding year of \$230,311. The total assurances now in force amount to \$14,394,478, a gain for the twelve months under review of \$1,321,754.

Under all these favorable conditions, the directors of the Manufacturers' Life have decided to increase the paid-up capital to \$200,000. This resolution was arrived at on the 12th January, and the stock-holders of that date will participate in the allotment of the new shares pro rata, the whole of the new issue having been applied for.

It is not surprising that those having control of this progressive company are somewhat proud of its position. In the past five years, its assets have increased 120 per cent., its net income 97 per cent., and the assurance in force 50 per cent. In addition to these indications of progress, the directors are able to point with pardonable pride to a low rate of mortality and expenses of management, good testimony to the careful and conservative management of Mr. Junkin, and the secretary and officials of the company.