party or the other with a greater or less portion than half the debts or to give to one party or the other more or less than half the assets—the principle being too well understood that in every partnership where the contrary is not expressly stipulated, each partner must be presumed to have brought in equal capital, and at the end of the partnership must share equally in the profits and losses, and in all the partnership property and assets."

The arbitrators rejected the partnership view of the union; and resolve to base the liability of each Province on the one or of the several items of debt; the expenditure to be taken as the value of the assets. The arbitrator for Quebec, Judge Day, protested against the official communication to the respective governments of this basis of procedure, and failing to prevail against the majority, resigned. He may have been right up to the point of resignation; but to resign was to embarass the proceedings, and to render it possible that the dispute might be indefinitely prolonged. This step we regret, and fail to see any ground for its justification.

EFFECTS OF THE WAR ON PRICES.

The war in Europe has, by anticipation, caused a good deal of excitement on this continent, and has powerfully influenced prices. The gold premium in the United States has risen from about 12 to 22, causing a revival of speculation in the stock and gold markets, which have been pretty quiet since the "grand crash" in September last. It is believed that German holders of American securities will throw a large portion of these securities on the market, in order to invest in the Prussian loans which will have to be raised to carry on the war. As the Germans are the largest foreign holders of American bonds, any disposition to sell out on their part would necessarily reduce the price, which is the same thing as advancing the price of gold. It is anticipated that American securities will be sent home in order to realize, and that, as a consequence, the state of the exchanges will lead to unusual shipments of gold. On the other hand, it is contended that the confidence reposed in American securities will induce capitalists to keep them, in order to have their investments as far as possible out of the way of danger. Both of these influences will, no doubt, operate in some measure, but unless further complications arise, it would seem almost unreasonable to anticipate any permanent advance in gold on account of the influences referred to.

In this country the prices of the leading stocks have fallen; in the case of Bank of Montreal, the decline amounts to 10 or 12 per cent. It is generally thought that the depression will only be temporary. The reduced price of some of the leading stocks is likely to induce speculation in them for a rise.

The rise in produce has been marked; flour has gone up from $1 to $1.25 per barrel within a week, and wheat in proportion, the markets closing very firm. The immediate effect of European disturbances on the supplies of food would seem to justify a decided rise in prices. Holders of breadstuffs have made money rapidly in the past week, but, unfortunately for them, we are pretty well toward the close of the season, when there is little left with which to operate. The above advance will add millions to the value of our cereal crops; so that while war is anything but a blessing, good sometimes springs out of it, as it does from other evils.

We publish this week a statement for which we are indebted to the *Insurance Review* of London, England, showing the business of most of the British companies doing business in Canada. The *Review* is a neatly printed and well conducted sheet which should be liberally patronized.

English Life Assurance Bill.—This Bill has passed through Committee of the House of Commons, where it was discussed with a good deal of interest, and some amendments made, others being rejected. The deposit of £20,000 required from insurance companies before a certificate of registration under the act is given, will stand in the way of the promoters of bubble companies, based on merely subscribed stock, and the prestige of a few titled or otherwise influential names. This deposit is returnable when the company has an accumulated life assurance fund out of premiums, to the amount of £40,000. All companies organized after the passage of the Act are to keep separate and distinct life funds, and to make quinquennial valuations. All companies are required to prepare annual statements of income and expenditure, and a balance sheet. These statements are to be verified by the signature of the principal officer of the company and deposited with the Board of Trade, and printed copies may be obtained of the companies on application by a policy or share holder. Amalgamations are not to take place without prior notice to all policy-holders of both companies, nor without the written consent of one-half of the policy-holders in amount, unless with the sanction of the Court of Chancery. Statements of accounts and of terms of amalgamation are to be fyled with the Registrar of Joint-Stock Companies, which are to be open to inspection and to be receivable as evidence. Penalties are imposed in default, as the company may be fined or wound up. Falsification by individuals is punishable by fine and imprisonment. As to winding up, the Court may take into account contingent and prospective liability, and in the case of a proprietary company with un-paid calls may give time for realization. The Court may require security for costs on petition and a *prima facie* case to be established before hearing.

Communications.

THE ORIGIN OF FIRES.

Editor Monetary Times.

If I am to believe common report there is one crime which is on the increase throughout Canada. I refer to incendiarism. This is one of the most infamous crimes a man could commit, and I would fain believe that the charge is exaggerated. There is to much reason to fear, however, that it is not. You can hardly take up any newspaper without meeting with accounts of mysterious fires—in many cases foul play being suspected or openly charged. Making all due allowance for suspicions which are unfounded, it is not unreasonable to conclude that many of the conflagrations of which it is said the origin is unknown, have commenced by some villian's midnight torch. In some cases it may be the act of burglars to cover up traces of their crime; in others the crime may be the offspring of some long-standing quarrel, and in others, the object no doubt is to defraud Insurance Companies out of the sums for which the property may be insured.

If I am to believe the officers of the Insurance Companies, and particularly the detectives sometimes employed by them, the majority of cases of incendiarism arises from the three motives given above. There is no reason to doubt this statement, and although the evil may not be so widespread as it is charged that it is, there is too much reason to fear that it exists to an extent which few imagine. It is not comfortable to reflect how many fires occur in premises which are heavily insured, or when the person interested is known to be "hard up." I consider the press would only do its duty by calling public attention to this subject, and that a stricter investigation both by Insurance Companies and the public, should be made into the origin of fires.

If the arm of justice should be raised to punish one class of criminals more than another, it ought to be those wretches, who concealed by darkness, apply the incendiary torch to property, not knowing how many innocent persons may be injured thereby, or, it may be, lose their lives. There is generally too much laxity in trying to ferret out the guilty parties and bring them to justice. And in this connection, I have a crow to pick with Insurance officials. They are frequent in their complaints about suspicious fires, but it is very seldom we hear of any persons being prosecuted by them. In too many cases, if their inspectors can get the policy cancelled, or in some other way escape payment of the insurance money little further concern in taken with the matter. This is wrong. Both in their own and the public interests, where there are good grounds to suspect incendiarism, the companies should see that the person or persons suspected, are not allowed to go scot free, as in too many cases they are, but that energetic steps are taken to bring the criminals to justice.

The public, too, should insist on more strenuous efforts being put forth to unravel the mystery which surrounds many of the fires which are constantly taken place. More decided action would exercise a wholesome influence in checking this growing crime. Unless such steps are taken, it need not occasion surprise if villians are emboldened to commit incendiarism, and manage to escape with impunity.

Yours, &c. Merchant.

THE SMITH FAILURE.

Editor of the Monetary Times.

Sir,—The recent *exposé* of the affairs of this bankrupt grocery concern in Toronto, in the *Globe* of your city and the *Herald* of ours, brings forward a suggestion which will commend itself to wholesale merchants, and which, I think, the managers of Commercial Agencies would do well, nay *ought*, to notice. I mean the false credit status which