deavouring to lay especial burdens upon invested capital and upon the corporations, the result will likely be that Quebec will get the preference when British, American, or European capitalists are hesitating as to which Canadian province they will select for the investment of their funds. The amount of revenue to be derived from taxing transfers of shares is petty compared with the revenue a province will gain indirectly from the investment of even a moderate amount of outside capital in industries of one kind and another.

## GAMBLING AND FIRE INSURANCE.

It has often been said that fire insurance is a pure gamble, which remark usually proceeds from those who have never studied the subject. But occasionally we have heard men having some insurance training giving vent to the same opinion, and we will therefore briefly consider the arguments for and against the assertion. That there are always a certain number of unforeseen chances in the business of fire insurance we are quite prepared to admit for it is chiefly those chances which call forth insurance, whether fire, life, marine, or any other branch. But when we are told that the best risks burn as readily and frequently as the worst, we must take leave to differ from a statement, which can only emanate from those who draw conclusions from a single year's transactions, and really judge of a rule by its exceptions.

There may be some years, for instance, when a large number of healthy lives drop out, while the delicate ones remain, and so likewise several fine vessels may founder while leaky tubs arrive safe in port. All this, however, does not alter the average which is the foundation stone of all insurance, and it is absurd to argue that year in and year out fire insurance managers are incapable of deciding with any certainty as to the general percentage of loss among hazardous and non-hazardous risks. Were this so all discrimination in rates would be so much time and trouble wasted. Of course, there is some speculation and even gambling carried on in fire insurance just as there is in stocks and shares or in the time bargains of cotton or corn. But this is apart from the legitimate business, and the abuse of a principle is no valid reason for condemning the use. When we look back at the grave yard of from 60 to 70 companies in Canada which started by closing their eyes to experience and entered the field much as a gamester goes to the green table, we cannot wonder, that after an apparently temporary success they one and all retired into the shades maimed and defeated. To our mind this is one of the strongest proofs against those who claim that fire insurance is pure gambling. An absolute gambler whether a company or an individual is worse than useless to the commonwealth being an ulcer who produces nothing at his best, and at his worst brings ruin and disaster in his track. Experience is a guide he scoffs at; he must gather in the premiums without reference to adequate rates and like Richard III on Bosworth field "setting his life upon the cast, stand the hazard of the die." It has not been thus that the sound, well managed companies on both sides of the Atlantic have conducted and built up their business, during fifty to one hundred and fifty years. Fire insurance like any other commercial commodity, when sold below cost, no matter how large the sales, must sooner or later inevitably bring loss, but true insurance should never be measured by false, and must not be stigmatized as gambling, because there are some reckless people who would have us believe that a business, which has stood the test successfully for so long, is merely a toss up or a trick.

## BANK OF ENGLAND'S RETURN.

The Bank of England reported yesterday an increase for the week in gold coin and bullion holdings of £653,182. Proportion of reserve to liabilities is now 49.85 per cent., against 51.90 last week, 51.07 June 9, 50.73 June 2, and 49.06 May 26. The highest percentage thus far in 1910 was 54.44, in the week ending May 12; the lowest, 39.55, on April 7. Other changes reported for the present week are as follows:

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|---|---|---|
| Total reserve... ... ... ... ... ... ... | Inc. | £721,000 |
| Notes reserved... ... ... ... ... ... ... | Inc. | 781,000 |
| Notes in circulation... ... ... ... ... | Dec. | 68,000 |
| Public deposits... ... ... ... ... ... ... | Inc. | 336,000 |
| Government securities... ... ... ... ... | Inc. | 100,000 |
| Other deposits... ... ... ... ... ... ... | Inc. | 3,732,000 |
| Other securities... ... ... ... ... ... ... | Inc. | 3,304,000 |

THE STEEL COMPANY OF CANADA is the new name chosen by the Hamilton merger as the result of conferences with Mr. J. H. Plummer, president of the Dominion Iron and Steel Corporation which now takes the name of the Dominion Steel Corporation, Ltd. The Hamilton concern has been capitalized at $25,000,000, the various amalgamating companies being represented by the following amounts of stock: Hamilton Steel & Iron Company, $9,300,000; Canada Screw Company, $4,000,000; Canada Bolt & Nut Company, $2,100,000; Montreal Rolling Mills Company, $7,650,000.

THE MEXICAN GOVERNMENT, it is announced, has now secured control of all the railways in the Republic except the Southern Pacific lines. Details are not yet available, but presumably the *modus operandi* of securing the lines now taken under control is the same as that followed in the case of other lines secured some time ago. In that case control was purchased in the London market, the companies continuing to work their systems. In the opinion of English railway experts expressed at the time this is the one original contribution to the problem of the relations of state and railways that recent years have given us.

ARRANGEMENTS have been made by the Canadian Northern for the issue of $15,000,000 5 p.c. income charge convertible debenture stock of which one-third is reserved for Canada. The interest on the stock is payable after the operating expenses and fixed charges have been met, but the chief point of interest about it is that it is convertible on January 1, 1916, and for three years subsequently at the holder's option, into common stock of the company at face value. Part of these convertible debentures are, it is said, to be issued immediately in London. The present earnings of the railway ensure the interest on the debenture stock, and by 1916 the Canadian Northern will, no doubt, be a transcontinental line. Dealings in the debentures have taken place on the Toronto Exchange this week at 95½.