

6th. In the article on "Savings' Bank Deposits," contained in your issue of the 1st January, the following words occur:—"We have little hesitation in adding that loan companies have by their operations in this field also diverted money to their coffers which might otherwise have been used in the legitimate operations of banking." I wish you had gone further and stated how the loan companies had done what you charge them with.

In the meantime I admit that some of the younger and newer companies have not acted wisely—for instance I have before me several statements—take one, that of I believe the leading company in Sarnia. In its last report it showed:—

Paid-up capital\$346,687
Deposits 491,236

40 Vic. cap. 49, sec. 2, reads as follows:—"That the amount held by any Society on deposit shall not exceed the amount of the 'paid-up, unimpaired capital of such Society.' (I think there is a later Act, passed in 1884, if anything more explicit).

Now, if this Act applies to the company in question, it clearly has an illegal excess of deposits to the extent of \$144,549. On the other hand if the company has been incorporated under the "Ontario Joint Stock Companies Act" it is not entitled to take deposits at all. As I have already mentioned several of the smaller and newer companies have acted as described, how is it they are permitted by the Finance Department to go on violating the Act? Old established, respectable companies like the Canada Permanent, Western Canada, Huron and Erie, Freehold, &c., seem invariably to conform to the requirements of the various Acts, and it is utterly unjust to them that the violations I have pointed out should be permitted to go on, in fact it is about as bad as two men in business next to each other, the one having to pay 100 cents for his goods and the other every now and then settling for 50 cents.

I thank you for the space you have accorded me, and I hope the discussion of this important subject will result in some good.

Your obedient servant,

FINANCE.

5th January, 1886.

PLANS OF LIFE ASSURANCE.

To the Editor of the Monetary Times:

SIR,—The editorials in your columns upon the 18th and 25th insts. do injustice to the plan of the renewable term insurance, and I must ask space in your columns for a reply.

The writer overlooks the fact that under the Level premium plan the policy-holder insures himself to the full extent of the reserve—that in fact such plan is a mixture of insurance or indemnity, which is one thing, and investment, which is quite another thing.

The Level premium policy of insurance is in reality a contract for insurance, lessening each year as the reserve grows larger, such reserve being properly called "self insurance," upon which there is no insurance risk whatever.

We make no war upon the Level premium plan. It has its advantages, and it has been worth all its cost to its patrons; but for those men who want indemnity only, or provision for their families in the event of their own death, it falls short of their needs.

Now, such persons constitute a large class in every community. Men frequently seek this protection, and desire to get it for the least current outlay consistent with safety. To them the renewable term policy more nearly meets their needs than the Level premium contract. In fact, each intelligent man should decide for himself whether he wishes "pure insurance," unadulterated with banking or investment, or whether he wishes in addition to insurance a provision for himself should he attain old age.

There is room enough for both systems, and there should be no clashing or unfriendly criticisms by the advocates. If a man would do his own thinking he could make a contract upon the renewable term plan for insurance, decreasing each year to correspond with the growing reserve under the Level premium contract, and put this reserve in a savings' bank or trust company for accumulation. Few men, however, do their own thinking, or who would take the trouble to make such separation, and fewer still would have the nerve to keep such

deposits in a savings' bank or trust company, but at some temporary need would withdraw the fund and thus defeat the purpose.

Under the renewable term contract the banking or investment element is eliminated, except so far as is necessary to secure the integrity and security of the contract.

The Insurance Commissioner of Massachusetts, in his able reports for 1884 and 1885, makes the following striking statements:

"I am moved to express the regret—shared, I believe, by the conservative and most sagacious men in the business—that our insurance establishments have adopted schemes of insurance whereby they have become so largely institutions of investment."

To unite, more than need be, for the assurance of its contracts the proper business of an insurance company with the functions of a savings' bank makes a combination both incongruous and unwise.

A provident person will do wiser to buy his insurance of an insurance company, and make his deposits, if he wishes to make investments of that character, with some regular savings institutions whose sole business is the administration of trust funds.

If insurance and investment are the object, each can better be got in its separate place, than by a combination which impoverishes the investment, and does not improve or cheapen the insurance.

A man should insure his life as he does his property for protection.

For reasons stated in the last report of the Department, and further considered in the present report, I am strongly persuaded of the impolicy and positive danger of magnifying the banking features of life insurance institutions."

[SHEPPARD HOMANS.

New York, Dec. 29, 1885.

NO SUPPLY ACCOUNTS.

To the Editor of the Monetary Times:

SIR.—We have just seen a communication from a subscriber of yours in Waterford, published in your issue of Jan. 1st., reflecting somewhat on us. We beg to say that the above-named communication is entirely false, and we think your action in publishing any communication without ascertaining the facts of the case, especially when our office is within 100 yards of your own, is altogether unjustifiable. We sent no so-called bankrupt stock to Waterford, but to save ourselves from loss, purchased a stock and proceeded to realize as much as possible of our claim by selling it off retail. Your correspondent says, "They seem to be making quite a business of starting some one in business, &c." We beg to deny this and state we have not a single supply account in Canada, and in no former case have we ever run off a stock in any country town. We might just say that we were getting tired of the liberal dividends paid on estates by assignees and determined to be our own assignee in this matter. We paid off other claims and controlled the stock and had a perfect right to dispose of it any way we saw fit.

Yours,

R. SIMPSON & Co.

Toronto, Jan. 2nd, 1886.

STOCKS IN MONTREAL.

MONTREAL, Jan. 6th, 1886.

STOCKS.	Highest.	Lowest.	Total.	Sellers.	Buyers.	Average '84.
Montreal	244	203	1379	204	203	188
Ontario	110	107	135	110	109	109
Peoples	75	75	135	75	75	45
Molson	127	121	125	122	121	111
Toronto	187	186	505	186	186	177
Jac. Cartier	100	100	100	100	100	100
Merchants	116	115	403	116	115	110
Commerce	119	118	791	119	118	118
Union	51	40	51	51	40	40
Montreal Tel	121	120	505	121	120	113
Rich. & Ont.	61	59	291	60	59	59
City Passenger	125	124	155	124	123	121
Gas	195	194	1825	194	193	182
C. Pacific R.R.	64	62	1620	64	62	62
N. W. Land	67	62	1825	65	65	42
Com'ce Reg.	62	62	62	62	62	62
Telegraph	62	62	62	62	62	62

CUSTOMS AND EXCISE RETURNS.

CITY.	Dec., '85	Dec., '84 Inc or Dec
Montreal customs..	\$496,956	\$302,064 194,892 I
do. excise ..	184,998	141,489 43,509 I
Toronto customs..	99,960	99,960 34,509 D
do. excise ..	65,451	40,188 24,263 I
Halifax customs..	.....	.....
do. excise ..	.....	.....
St. John customs..	52,740	48,330 4,410 I
do. excise ..	.....	.....
Hamilton customs..	49,498	49,338 160 I
do. excise ..	30,807	21,281 9,526 I
Quebec customs..	.....	.....
do. excise ..	.....	.....
Winnipeg customs..	23,315	23,321 06D
do. excise ..	20,569	12,555 8,014 I
London customs..	25,194	19,861 5,325 I
do. excise ..	27,004	22,581 4,423 I
Ottawa customs..	23,067	.....
do. excise ..	28,669	18,106
Kingston customs..	9,367	.....
do. excise ..	30,706	21,131 9,575 I
Brantford customs..	.....	.....
do. excise ..	.....	.....
Belleville customs..	3,120	2,778 342 I
do. excise ..	.....	.....
Guelph customs..	5,306	4,037 1,269 I
do. excise ..	13,655	15,706 2,051D

RELIGION VERSUS TRADE.

"Yea, Mr. Goodman," said the grocer to the minister who had dropped in for a little chat, "as you say, life is short, but eternity is long. It behooves us all to so shape our course in this world that we may inherit the blessings of the world to come. With me, sir, honesty in business is not a policy; it is something more than that, something higher, something—"

"Please, mister," said a child with a shawl over her head, "has yer got enny next year's maple sugar?"

"Well, sissy," hesitated the grocer, with rather a dubious look in the direction of the dominie, "it's a trifle early in the season yet, but I may have a little on hand. How much do you want?"—N. Y. Sun.

LAST Spring two cute Yankees arrived in Montreal, says the *Star*, and hung out their shingle on St. Nicholas Street with the name of Clark & Co. emblazoned thereon. The head of the firm said he was a Chicago man and had rich relatives there. "The firm soon started a lively business in American canned goods and in supplying saloons and restaurants with oysters. They received large consignments from Philadelphia and Baltimore, and appeared to be doing a profitable business. During the six or seven months they were in business here they managed to run up debts to the extent of \$3000 or \$4000, after which they decamped, leaving two months rent unpaid, and an old stove and a few chairs as assets. A canning firm in Upper Canada was victimized by the firm to the extent of \$4000, and after their absconding, unpaid drafts came in by the bushel from all parts of the States."

—New York dealers are about to inaugurate auction sales of Florida oranges. The present Florida production of oranges is 1,000,000 boxes. Of the foreign oranges nearly 2,500,000 boxes are received yearly in New York City. The Florida orange is larger and sweeter than the foreign orange, but does not keep so long, probably from want of experience in packing.

—A by-law will be submitted to the village of Leamington and the township of Gosfield in February asking for a \$27,000 bonus to the Leamington & Comber railroad. Stock to the amount of \$20,000 has already been subscribed, and the government subsidy for the eleven miles will amount to \$35,000. The present intentions are to build as far as Comber on the Canada Southern railway.

—Mr. Alexander Cameron, says a Windsor paper, is building extensive cattle sheds and planting out some 50 acres of grape vine and fruit trees upon his extensive property at Pike Creek some ten miles from here. Mr. Cameron owns over 400 acres in the locality.

—The experiment of shipping grapes from Los Angeles to the Mohave desert, to be converted into raisins, is said to have proved a complete success.