have branches in the leading cities. This central bank should take the business only of other banks; and it should have the power of issuing notes against its assets. As it was thought hardly likely that the people would consent to the formation of this great bank an alternative scheme was proposed.

This was to allow all national banks which have as much as 50 p.c. of their capital in bond-secured circulation to have the right to issue against their general assets a further 35 p.c. of their capital on the following terms: On the first 5 p.c. of this day must pay a tax of 2 p.c. per annum; on the next 5 p.c., a tax of 3 p.c. per annum; on the next 5 p.c. a tax of 4 p.c. per annum; on the next 10 p.c. a tax of 5 p.c. per annum; and on the last 10 p.c. a tax of 6 p.c. per annum.

The idea is that the fund received by the Government from this tax shall be held available for redeeming the note issues of failed banks. When it is considered that the total capital of the national banks was on 18th June, 1906, $826,000,000 it will be seen that this scheme would permit quite a heavy expansion of bank notes. And the tax is heavy enough to drive the notes in for redemption just as soon as the urgent need for their use passes. Also it would, undoubtedly, yield a sum large enough to pay the notes of failed banks unless the failures are far more numerous and more disastrous than they have been in the past. Of course, it is an objection that solvent and carefully managed banks in this way pay for the losses made by their wild cat competitors.

FRATERNAL SOCIETIES.

We present in this issue our usual statistical exhibit of the position and business of the leading Fraternal Societies operating in the United States and Canada. Of the 15 societies on the list (there were 17 last year, one the American Legion of Honour was wound up), 6 show a decided falling off in the certificates in force at 31st December, 1905, as compared with 1904—2 held their own, while the other 7 show varying increases. The ratio of ceased to new certificates ranging from 44.05 p.c. for the youngest society to 992. p.c. for one of the oldest. This remarkable showing is not by any means owing to extravagance in management—the ratio of expense to amounts paid by members being as low as 2 p.c. in one case, and 19.38 p.c. in the highest; the average for the 15 societies being only about 9 p.c.—but is due entirely to the inherent weakness in the system itself, and until adequate rates are charged by all, and a reserve fund built up, a day of reckoning must come. as a matter of fact the day appears in sight for one or two of them now.

Attention is again directed to the large increase in commissions paid when the societies were losing members, and to the salaries paid the officers.

The table is well worth studying, but we fear the result will not be such as to inspire confidence in their condition and prospects, more particularly in the case of the Independent Order of Foresters, which has recently been under the searchlight of the Royal Commission on Life Insurance, and whose methods of exploiting subsidiary companies were anything but in the interests of its members.

FIRE INSURANCE AT ITS VALUE.

The place of fire insurance on this continent as a factor of the very first importance in maintaining the stability and preserving the equilibrium of its business interests, is one imperfectly comprehended by the general public, and not fully realized even by the underwriters themselves. When we consider the large number of fires which have entirely destroyed or fatally crippled mercantile and manufacturing enterprises essential to the general welfare and comprising the all of individuals, keeping in mind also the important fact that these mercantile and manufacturing interests are so closely allied to all the varied business interests of the community that disaster in one line disturbs all the others, we come to see in some measure the widespread desolation which fire insurance prevents.

It is true fire insurance does not create capital nor restore that which fire destroys, but it renders an equivalent service, so far as the individual loser and the preservation of general business equilibrium is concerned. Its mission is to distribute the loss, overwhelming as to the individual, among the many to whom it is but an incident of current expense. It is a universal equalizer, on the principle of the suspension bridge. Planting its solid abutments of assets upon the shore, it throws out its many-stranded cables so effectually and with such accuracy of constructive skill that the heavy trains of commerce pass and repass safely, without undue strain upon any particular part of the bridge. Without the interposition of fire insurance, the annual fire loss would be a burden so heavy as to break down thousands of valuable enterprises, drive tens of thousands of individuals into bankruptcy, and paralyze business. It enables the householder to find a new roof over his head when the old one has crumbled to ashes; it rebuilds cities and towns otherwise hopelessly ruined; it sends the car of transportation once more whirling along the iron track; it rebuilds asylums for our unhoused unfortunates, and drives again the factory wheel which stopped in fire and smoke. If these facts were even casually considered and reflected upon by the great body of the people, we should hear less of burdensome legislation and taxation schemes against the insurance companies.