

taken, the extent of mortgages assumes a different aspect, as it indicates what an enormous amount of individual capital has been accumulated by our farmers to enable them to have secured the freeholds they occupy. As the total value of the real estate under mortgages is \$261,000,000, and the loans on it only \$110,000,000, it follows that the owners of such real estate have been able to provide \$151,000,000 for the acquisition of their properties. As, too, the *overdue* mortgages are little over 2 per cent. of the total loans, it is evident that the advances have been made with excellent judgment and prudence, and the mortgagors are well able to meet all the charges these securities involve.

Although not, as a rule, expressly stipulated that payment of our securities will be made in gold, yet gold is the basis upon which they rest—our currency being equivalent to sterling.

Indeed, the very fact that silver is only a legal tender up to \$10 demonstrates that all payments beyond that sum must be either in gold or government notes, which are redeemable in gold. To all enquirers about her finances and financial affairs, Canada stands ready to give the frankest, fullest information; she has nothing to conceal of which she need to be ashamed; nay, indeed, she knows that the more thoroughly her affairs are investigated, the more complete is the information secured, the higher will her reputation be raised, the more stably her credit will be established.

#### THE BANQUE NATIONALE.

So much has been said, and very justly said, in eulogy of the banking system of Canada, that it is most unfortunate to have discredit thrown upon it by such an incident as the non-payment of a dividend by one of our banks. Outsiders are very apt to judge less by general results, to which their attention is not drawn, than by particular incidents which are too frequently invested with a sensational character, the fashion of the day, the prevailing taste being for sensationalism in news. The Banque Nationale has been hampered for many years by some most regrettable advances made on incontrovertible securities—on what are termed “lock-ups.” Canadian banks suffered so disastrously in past years by this class of loans, that, we are justified in saying, they were abandoned, as a rule, by all the banks, the exceptions being too few and too insignificant for serious notice. But, while it is easy to stop a bad practice, it is often very difficult to get rid of the mischief its indulgence has created. A bad loan can be effected in a few moments that may embarrass the lender for years. The Banque Nationale only recently began to show signs of recuperating by commencing to build up a Rest towards which it laid aside \$30,000. It is announced that losses, in Manitoba chiefly, have been made which render it inadvisable to pay any dividend this half year. We regard the determination not to distribute the Rest in a dividend as wise, although a very trying experience to many shareholders. How far the recent losses are the result of *old* business we are not informed, but trust they will turn out to be on loans made before this bank had learnt the lesson for which in years past it paid so dearly, and by which, we believe, it profited to this extent, that a more cautious policy was adopted. The bank has a paid up capital of \$1,200,000; its circulation averages about 80 per cent. of this limit, which is considerably over the average, which, for all the banks, is about 50 per cent., even the larger and more substantial ones not reaching that standard. Indeed, the Banque Nationale is amongst those who are most favorably situated in regard to circulation, only five others having as large a percentage of note issues to paid up capital. In regard to deposits, it has \$2,600,000, which is \$1,400,000 over the capital, a very large percentage,—larger indeed than some of its most successful neighbors. So that, in the two resources of circula-

tion and deposits, the Banque Nationale is very favorably circumstanced for making satisfactory profits. Its current loans are just equal to the aggregate of its paid up capital and deposits, leaving the sum of the circulation for cash on hand and other needs of a banker. The amount of its available assets is larger than the amount of its deposits on demand, and about 35 per cent. of its combined deposits, that is, those at call and those payable after notice. These items indicate a prudence in management in this department, and we hope that it has extended in that of making loans.

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

#### TORONTO LETTER.

*More “views” on Fire Insurance.—Indisputable Fire Policies.—Change of Agency.—H. D. P. A. home again.—Convalescent.—The Annual Meeting of C. F. U. A.—Receives a Hamilton Board Deputation.—Kind words are more than Sandwiches.—The way the Lunch was quizzed.*

DEAR EDITOR,

We have lately been given another instance of the peculiar views held by the general public and a portion of the Daily Press, regarding the principles and practice of Fire Insurance. The Grand Jury at a late sitting in Toronto, having in mind the Prittie case, which they sent for trial under finding of a “true bill,” delivered themselves to this effect: that all fire insurance policies be made indisputable after two years, for the reason that the carelessness of Insurance Companies in granting policies for amounts in excess of values encouraged incendiarism. By making it law that policies are indisputable after two years, they think the companies would be more careful, knowing they would be liable to pay the “face value” of a policy. There may be something in the assumption that companies are careless (some of them) in the matter of values, but the wording of the recommendation is what interests me. Indisputable after two years! “No restrictions as to residence, travel, and occupation.”—“Policies absolutely and automatically non-forfeitable after two years.”—“Extended insurance without application.” Why not add on these valuable privileges along with the other? What about *yearly* policies? Are they not to be indisputable, too? The newspaper before me says: “Yes, after one year.” Well, this last would not be onerous. A new policy every year would meet the case. About these days there are many suggestions as to how to sum fire insurance business, truly.

A notable change has been made by the Insurance Company of North America. They have transferred the Toronto agency from Mr. G. J. Pyke to Messrs. Medland & Jones, agents of the Scottish Union & National. The extensive connections of Messrs M. & J. warrant the belief that the result will be increased business for the North America.

Mr. H. D. P. Armstrong of the “Guardian” is home again after a long holiday in the old land. It is partner Malcolm Gibb's, turn now to take a furlough. “Larry” can look after the marriage licenses all right, while he is away.

You will be glad to hear Mr. Boomer, of the “Manchester,” will return to his office next week, having recovered from his long illness.

The annual meeting of the C. F. U. A., held here last week was well attended, and although having little to do, it was done well. The tendency in certain quarters to undo at one annual meeting important and well discussed measures enacted at a previous one was effectively sat upon. Only a few months ago the Association decided that rates on retail dry goods stocks amongst others in certain towns should be advanced. Then good and sufficient reasons were shown for doing so. At the meeting last week, as to dry goods, it was proposed that the old ratings be returned to, especially as regards Hamilton. After long debate this suggestion was defeated.