loss is usually less than the expectation tables for five or six years after a new entrant comes from the examiner's hands, but for the rest of life it runs correspondingly heavier than the tables. What is called for by the expectation tables, or by actual experience, must be collected, *plus* expenses, or a crash is sure to result.

BANK CIRCULATION.

A correspondent of the Montreal *Gazette*, under date of Tuesday last, refers to an editorial in that journal on the subject of bank circulation in Canada and the United States respectively. The letter in question contends that the National bank system of the United States is not an unmixed benefit, and quotes the New York *Commercial Bulletin* of 24th inst., to the following effect:

"The burdensome requirements of the National Banking laws call for the immediate attention of Congress. Unless these illogical restrictions are relaxed in at least one respect the formation of new national banks, already seriously checked, cannot long continue, and many of the established banks must surrender their charters and return to the state system, as the Bowery National Bank of this city has just done. The compulsory deposit of Government bonds has become a burden which the banks cannot bear. This requrement is the relic of financial conditions which have long since passed away and is incapable of logical defence in the light of present knowledge. There has, perhaps, never been a time in our history when conditions were so favorable to the organization of new banks throughout the regions springing into industrial activity, or when the expansion of banking capital was so essential to the progress and welfare of the country. And yet it is at this time, when every day should be adding a new bank to the national system, that arbitrary and unreasonable laws interpose a fatal obstacle and check the development of banking when its growth is most needed and when the necessity is most generally recognized.

"The national bank note circulation must be revived, it must be freed from burdensome restrictions, and expanded to meet the commercial requirements of the country and demands of varying conditions and increasing business. If this is not done a new system of note circulation under federal auspices must be devised, or, if this too is neglected or inadequately provided, the prohibition upon state bank issues must be repealed. One of these lines of action must soon be adopted. The necessity for an adequate note circulation cannot long be ignored, and, if national bank issues based upon Government bonds are to disappear the Government must authorize a new form of currency based upon state, railroad, or municipal securities, or upon the credit and negotiable paper of national banks."

It is important to notice, as the correspondent remarks, that the basis last suggested, "the credit and negotiable paper of National banks, is practically the same as that under which we have been working in Canada for many years."

AUTOMATIC SPRINKLERS.

The demand for various devices for extinguishing fires has given rise to many kinds of automatic sprinklers, many of which are not only useless but absolutely hurtful. We know of a case in which a leading flour miller had automatic sprinklers put into his mill, at considerable cost, with the view of getting a reduction of 15 per cent. in his rate of insurance. He is now about removing them as a nuisance, having had his stock damaged by a plenteous shower from his sprinklers when there was no sign of fire. The automatic sprinkler must be a good one and properly put in, or it is a delusion and a snare. Mr. W. H. Frazier, manager of the United Fire Inspection of Philadelphia and New York, after a thorough study of the sprinkler system, came to the following conclusion as expressed in the *Insurance Chronicle* the other day. As many of our manufacturers have already got certain kinds of automatic sprinklers, and others are contemplating having them, we give the whole of the extract for their benefit:—

"So many automatic sprinkler devices and contrivances have sprung up within the past few years that there is great danger of accepting and allowing credit for not only unreliable sprinklers but cheaply erected and imperfect piping, or insufficient water supplies, although, just now, the various dry pipe and chemical compound systems being used in connection with the several sprinklers should have first and immediate attention. While recognizing the necessity of some plan by which the pipes in exposed localities can be kept clear of water during freezing weather, I object to many of the services now in use for that purpose. Sprinklers are introduced with the assurance that they will be effective at any time, be it one or twenty years, during which period they are generally left in charge of inexperienced people; hence everything about them, including the manner of holding the pipes free of water, where required, must be both simple in construction and positive in operation; therefore, for dry pipe or anti-freezing systems, I am opposed to the use of electrical appliances of any kind; also to the use of any non-freezing compound that will corrode the pipes more than ordinary, or that requires the use of a syphon between the water tank and the sprinklers. Compressed air is the simplest, as well as the most effective, agent for the purpose, although I object to the complicated mechanism now employed by several sprinkler manufacturers in applying it. The best, simplest and most reliable method of holding the water back or out of the pipes is by pumping the air directly into the distributing pipes themselves, in front of freely-working check valves in the main service pipe and as near the sources of supply as possible."

DECISIONS IN COMMERCIAL LAW.

Gooderham v. Traders' Bank.—W. had an account at the Traders' Bank of Canada, and had given as a security for this current account a mortgage of certain lands and also a quantity of commercial paper, consisting mainly of notes made by other customers of the bank for W.'s accommodation. W. made a subsequent mortgage on the same lands to G., and when the bank threatened to sell under the first mortgage, G. made a tender to the Traders' Bank of what was claimed as due under its mortgage, and required a simple assignment of the mortgage debt and mortgaged lands to himself, with a covenant that the amount claimed by the bank was really due, which tender the bank refused. G. then moved for an injunction to restrain the bank from dealing with the mortgage till the determination of an action, wherein G. sought an account from the bank and an assignment, on payment of the amount found due, which motion was dismissed with costs, on the ground that, under the statute, the bank was entitled to have this assignment show in what character G. was paying the money, and also the notes in respect of which the bank was claiming, and who were accommodation makers thereof, and that the bank was not bound to give a covenant as to what was due. G. was, however, entitled to an account and repayment of any excess.

W. v. Baltimore & Ohio Railroad Co.—W. got a verdict from a jury for $670, the amount stolen from him in a sleeper on the defendant railway company's car. This was reversed by the Missouri Court of Appeals, sitting at St. Louis, the court holding that W. was not only grossly negligent, but that the extent of a railroad company's liability to a traveller is his reasonable travelling expenses.

LETTERS AND OPINIONS.

How is the slowness of payments in many country places to be accounted for?

One merchant replies to this question that the bad roads of October prevented the farmer getting his grain out to market and kept his wife and family from shopping. Another growls that "the farmer was such a fool as not to jump at the offers made to him while grain was high, and now that wheat has gone down he sits on the fence, looks at the muddy roads, cursing and kicking himself because he did not sell sooner."

Here is the view of an agent for a loan company, whose business takes him to various parts of Ontario: "These late years see a great difference in the style of affairs maintained by the Ontario farmer. Years ago simplicity of life on the farm was extreme, hard work was constant and wearing, poverty was frequent. To-day—or at least, comparatively, yesterday—the farmer has found matters made easy for him. Credit is cheap, and he loads his house with furniture, a piano, an organ, a sewing machine; he dresses his children well, and even gives his wife a new dress and a cloak instead of the everlasting shawl; he buys a quantity of farm machinery, in preparation for big crops, and also builds on hopes of big prices, as nearly every farmer does. The big prices do not arrive—his scale of living has become extravagant—his farm is mortgaged, and the farmer, who, with all his closeness and hard work, is often a poor economist, is hard up, and so cannot pay the storekeeper."

"October was a splendid month for the shoe trade," said one enthusiastic man, "but November has done badly for us thus far. Just about 50 per cent. of our customers' paper coming due this month has been met."

A stationer tells us that he finds it a growing feature in his branch of trade that a jobber will control a retailer by means of a chattel mortgage or a bill of sale, "has him by the throat," so to speak. Query, is this not the case in other lines?

An observant commercial traveller, who has just made the round of portions of Ontario, finds trade very dull and the feeling despondent in certain parts. He instances Peterboro as a point where the dry goods dealers are feeling "particularly sick," because that town has been flooded with bankrupt stocks. Indeed, we are told by another gentleman that the inhabitants of Peterboro and Belleville have been so surfeited with cheap dry goods of late that many of them have over-bought, and besides having, like the boy at the evening party, their stomachs turned by unexpected profusion of nice things, find their purses empty and cannot pay other tradesmen whom they owe.

Apropos of the postal card which we sent out to some subscribers last week as A Memory-jogger, an Oshawa subscriber responds with the money due, adding: "The jogger has jogged and the trout has our line."

A Montreal subscriber writes:—"Here's the $2.00 for The Monetary, I get the worth of it. I suppose it is highly profane and presumptuous to give a hint to a newspaper man, but I have sometimes thought that if I had some thousands of $2 bills owing to me and not