

of Life Insurance for the year of 1896; also at this time.

(4) What is the amount of money your company contributed to the said Chamber of Life Insurance for the years 1896 and 1897? State amounts separately.

(5) For what purpose did you contribute?

(6) What use and distribution was made of such contributions?

(7) Was Charlton T. Lewis manager of said Chamber of Life Insurance for the years 1896 and 1897?

(8) Was the manager authorized to use the money of your company at his discretion?

(9) Was the money so contributed to be used for the purpose of controlling elections?

(10) Was any portion of such contribution to be used to prevent legislatures from passing laws against the interests of insurance companies?

(11) Was such money so used?

(12) Where and when and in what manner was the same or any portion of the same so used?

(13) Did your company directly or indirectly, in the year 1896 or 1897, contribute money for the purpose of electing or defeating any candidate?

(14) If so, to whom was the money paid, the amount, the date, and the purpose?

(15) Did your company, directly or indirectly, in the year 1896 or 1897, contribute money for the purpose of preventing legislation that was deemed to be antagonistic to insurance companies?

(16) If you answer the above question in the affirmative you may then state the date, to whom paid, where paid, and for what purposes?

(17) If any money has been contributed by your company for any of the purposes above mentioned, you will then state what particular fund the same was paid out of, and if any voucher was filed therefor.

Some wag has perpetrated a cruel practical joke on Superintendent McNall. The so-called Chamber of Life Insurance ceased to exist in 1877, after a farcical existence of about two years. It has never been heard of since. This ghost did not walk in 1896-97.

Business Reference.

The care that should be exercised in answering letters of enquiry as to the trustworthiness of their customers has long been recognized by bankers, and the necessity for such care has again been illustrated by the result of a recent action against a banking firm in England.

The plaintiff's bankers applied to the defendants asking them to say whether a certain company was trustworthy for £100.

The reply was marked "confidential" and also "for your private use and without responsibility on our part," and it read as follows:—

"We are in receipt of your letter of yesterday, and in reply thereto beg to inform you that the company mentioned is very respectable and, in our opinion, may be considered quite good for your figures in the way of business."

Upon the strength of this letter the goods were supplied, and, although, in the course of the trial, which ensued, it was contended by the lawyer for the defendants that they could not disclose the exact condition of their clients' banking account, and that they might have had confidence in their clients' prospects and ability to pay £100, both judge and jury favoured the plaintiffs, who obtained a judgment with costs.

It was held that the banking firm had knowledge which did not warrant the sending of such a letter. Even the declaration of the senders "without responsibility on our part" seems to have been useless in protecting them from the consequences of recording what may have been their honest belief at the time. We are informed that several of the large banks in Canada do not permit their branch managers to answer enquiries from correspondents *re* the financial standing of customers, until such answers have been subjected to the scrutiny of "Head Office."

At all events, replying to the letters in question would seem to be a delicate and sometimes dangerous task.

THE LOANING POWERS OF LOAN COMPANIES.

The question has been raised in the House of Commons, Ottawa, as to the desirability of extending the power of loan and savings' companies so as to authorize their lending money on the securities of incorporated trading and manufacturing companies. In discussing this question in Committee some remarks were made which arose from a misunderstanding of the nature of a certain class of loans made by these companies, remarks which reflected upon the prudential character of this feature in loan company business.

It was urged that, these companies were incorporated for the purpose of providing financial assistance to farmers and to others who desired to borrow money on the security of real estate. This being so, it was alleged that in making loans on the security of bonds and stocks, the companies are diverting their funds from legitimate channels, thereby enhancing the cost of accommodation to farmers and others who desire advances on mortgage securities. The movement in the business of the loan and savings' companies is exhibited by the following table giving the main items in their balance sheets for 1887 and 1896:—

	1896.	1898.	Increase.
Capital paid up....	\$42,038,794	\$32,125,010	\$9,913,784
Reserve Fund.....	11,242,178	7,747,676	3,494,502
Deposits.....	19,404,878	18,211,422	1,193,456
Debentures.....	56,505,383	38,960,315	17,545,068
Loans on Real Estate.....	115,731,851	86,901,364	28,830,487
Loans on Bonds, Stocks, &c.....	2,406,995	2,374,166	32,140
Securities owned..	3,271,140	2,532,702	738,438
Cash in Banks and Offices....	3,650,718	2,595,437	1,055,281

It is manifest from the above statistics that the business of the loan and savings' companies has been moving well within the limits prescribed by their legitimate powers and the objects for which they were