

will, it is expected, witness the free purchase of tweed effects; and it is equally likely that velveteens, which have been out of vogue for a time, will again be fashionable. Silks, which have been on the upward grade for a while—by reason of an advance in the raw material—are active, and more demand is apparent of late for robe and trimming purposes. Ribbons have never been otherwise than active and in great vogue. Silk velvets give promise of being in large request.

In view of the great advantage given to importers by such a condition of things, it is to be hoped that Canadian dealers will see that their interest does not lie in giving away their profits by means of concessions to customers in the face of a firm or rising market.

### THE LONDON ASYLUM FIRE.

On Tuesday last, argument proceeded in the Supreme Court at Ottawa, in the case of the *Etna Insurance Co. v. The Attorney-General of Ontario*. The judgment of the Supreme Court upheld that of the Ontario Chief Justice in the case, and dismissed the appeal. We may recall the matter to the recollection of our readers thus: A fire occurred some two years ago in the building occupied as the kitchen and laundry of the Lunatic Asylum at London, Ont. This building was connected with the main asylum by a bricked passage-way, about fifty feet in length. The policy of insurance covered "the main building" of the asylum, no mention being made of the kitchen and laundry. Out of some twenty-six companies interested in the risk, only two acknowledged liability and paid their shares of the loss. The remaining companies refused to pay, taking the ground that the kitchen and laundry, although connected as described, formed no part of the main building. The Ontario Government brought suit against these companies, and in January, 1889, Chief Justice Galt, of the Ontario Court of Appeal, gave judgment against the insurance companies, holding that "the term 'main building,' as used in the policy in this case, includes that portion in which the fire occurred." It remains to be seen whether the underwriters, who have been twice defeated, will now pay the loss. If they desire to make a further appeal it will be necessary to ask leave of the Privy Council to do so.

### CENSUS OF MORTGAGE INDEBTEDNESS.

In February last the United States Congress passed an Act to provide for taking a national census of mortgage indebtedness. An attempt will be made to ascertain the amount of land and house mortgage debt existing on the first of January last; the special and the average rates, and the total amount of interest paid; the growth of loan and building associations; the average duration of mortgages, and the proportions paid and unpaid; the cause and purpose of such loans. The difficulties of the enquiry will be immense, but the inquisition is to be supported by the coercion of a fine of

\$100 for refusing to answer. Very often it will not be in the power of the mortgagors to answer correctly all these questions, which would be possible only where careful bookkeeping exists.

The rate of interest may be got at with tolerable accuracy, unless in cases where interest and capital are confounded and the borrower really does not know what he is paying. It may be that, in some cases, he has been told he is paying one rate, while he is really paying another. This may be done by exacting interest on the original loan and making no allowance for instalments paid; and it is one of the few cases in which the protection of the Government can properly be exercised by providing that when deception and fraud are practised they should be duly punished. If the information is to be of real value, this is a point to which special attention should be paid; for while it is the duty of the Government to prevent fraud, the freedom of contract should not be interfered with. Most of the States in the American Union do, however, interfere with the freedom of contract between borrowers and lenders by the enactment of usury laws. Part of the enquiry may be intended to ascertain whether more than legal interest has been exacted, and if so no good can come of it. You cannot reduce the normal rate of interest by setting up a legal maximum, and attempts to do so in most cases only increase the rate by the effort to reduce it.

Unless for the purpose of detecting any suspected frauds, it is difficult to believe that the information will be worth what it will cost. The census will naturally show great inequalities in the rates of interest paid, and it may be that the information obtained, by making borrower and lender better acquainted, so to speak, may tend somewhat towards equality in future; but, as a rule, the varying conditions which determine the different rates remaining unchanged, the disparities will continue. The chief service, we repeat, which the Government can render is the detection and prevention of fraud. Superintendent Porter appears to be wide awake and will be likely to know how this is to be done. He will naturally regard as a suspicious thing the compounding of capital and interest in the repayment of loans in small amounts at frequently recurring periods, and will not fail to compare the printed statements of the rates of such loans with the payments actually made, and above all things to ascertain whether interest continues to be exacted for the part of the loan repaid. If the rate mentioned clearly shows such charge to be part of the contract, how will he be able to point out a remedy? But if a printed statement declares that the loan is at seven per cent., while a detailed calculation shows it to be nearly or quite double that rate, and the fraud be laid bare, an important service to the community will be rendered. Let us add that the discovery of the fraud will not be sufficient: its punishment should follow with all the certainty that the nature of the case will admit of. But this information can scarcely be got by means of circulars. A committee like the Senate Committee on Commerce might obtain it, or better still, a

commission endowed with ample powers of enforcing enquiry.

The chief point of interest, in the American proposal is whether Canada could advantageously make the same enquiry—whether it would be worth the cost. It may be worth while for the Ottawa Government to give the matter some consideration. In the absence of definite information exaggeration here as elsewhere finds a fertile field to work in. There can be no doubt that, in recent decisions, the extent of mortgage indebtedness has been much over-stated. In every country, guesses more or less accurate are made of the proportion of mortgage debts to the value of the land. In England and Scotland, it is assumed to be fifty per cent., the rate of interest being from 4 to 5, in the former, and 4 to 6 in the latter; in France 40 per cent. at an interest of 5 to 6; Germany gets credit for having mortgages up to 80 per cent. of the value, while Austria is scarcely better off as to amount and pays from four to seven per cent. interest. Russia, Italy, Spain and Turkey are assumed to have two-thirds of all the property encumbered. These estimates are of course not absolutely exact, but they are near enough to show that if the Socialists were to succeed in confiscating the land, in any of these countries, what an amount of money loaned on mortgages would go with it; so true is it that land could not be confiscated without involving all other forms of property. The American mortgage canons will at least bring out the full meaning of Henry Georgeism; showing how the money-lenders would fare if his scheme of confiscating, under the false name of taxation, the whole annual value of the land, were carried out. The single tax theory is but an instalment of the larger design, and on the principle of nipping evil in the bud, should be as rigorously rejected; for it, like the other, under pretence of striking at the land, menaces every form of property.

### THE I. O. OF FORESTERS.

Sooner than anyone could have reasonably predicted one short year ago, this so-called life insurance company, conducted upon the monthly assessment plan, has begun to trench upon its short-lived reserve fund in order to pay current death claims. This journal has faithfully warned all promoters connected with the Order, and none more directly than its "Supreme Ranger," Dr. Oronhyatekha, that the structure they were building could not stand, but mumbled about their heads in the course of time. It takes no great skill to predict that soft timber in the foundation of a building whose superstructure is of heavy stone and iron, piled well up toward the clouds, will only support that edifice for a brief period. No experienced builder would be guilty of such folly. Any architect would condemn a proposal to build in that style, and even unskilled day labourers would refuse to expose their lives in its construction.

Every life insurance builder and every actuary condemns the attempt to make