actuary than one who is competent to become a professor of mathematics, but who lacks both judgment and practical genius for business affairs. It is a matter of history that some of the most brilliant geniuses in the investigation of abstruse actuarial theories and problems have been complete failures in the realm of practical application in daily life."

NEW YORK LIFE INSURANCE CO.

We understand that it is the intention of the Co., owing to the great increase in its Canadian business, to subdivide the territory into a number of small branches in accordance with their later custom, and in consequence have offered Mr. R. Hope Atkinson, the energetic Agency Director, an important position in their New York office. We extend our congratulations to Mr. Atkinson on his promotion. Much of the Co's. success in Canada is due to Mr. Atkinson, the new business paid for, during his term of office here (1896–1901), having increased from $2,171,000, in 1895 to $5,227,506, in 1900.

THE MARQUAND BANK FAILURE.

The statement of the Marquand & Company Bank in New York that failed some time ago was laid before the Supreme Court on the 20th September. It is a very extraordinary document to bear the name of a banking firm in a great financial centre.

The principal creditor of the firm was under the jurisdiction of the Comptroller of the Currency, a title which does not indicate his duties and powers. The Comptroller is a Government Inspector of Banks, whose duties are akin to those of the Inspector of a chartered bank in Canada. But the banking field in the States is far too extensive to be efficiently supervised by one official, or his staff of assistants. Nor is it practicable for a stranger to step into a bank and pronounce at sight whether its loans are judicious, its discounts sound, and its collaterals of the value represented. The statement of the Marquand banking firm shows assets having a nominal value of $2,664,250, whose actual value is stated to be $296,003, which is only 11.10 per cent of the nominal value. The liabilities are given as, $4,396,184. In the liabilities column there is no mention of the capital of the firm. If the company had any capital its omission is peculiar. According to the statement in the New York papers, the firm had collaterals placed to cover certain loans which will probably reduce the liabilities to a net sum of $2,600,000, of which the actual value of the assets constitute 11¼ cent on the dollar. The Marquard firm came to grief by plunging recklessly into financial operations for which it had not the requisite capital, or the judgment necessary for carrying them through successfully. They bought $6,000,000 of the bonds of Pittsburg and Northern Railway, they were also financing a land company and a gas company. They had also considerable blocks of industrial stocks, and were mixed up with dealings in New York Central, Southern Pacific and other railways. These were pledged as collaterals for loans which, according to the published list, amounted to $4,368,000, the nominal value of the collaterals being $4,918,300, which, in liquidation will shrink, it is estimated, nearly 50 per cent. The amount lent this firm by the 7th National Bank, New York, which loan proved its ruin, was, $1,607,000. The partners in the private bank of Marquand & Co. and the managers of the 7th National Bank seem to have been practically operating together in speculations of a most risky character. They had both forgotten the old warning against placing too many eggs in one basket. The National Bank managers especially had shown most unbankerlike judgment by locking up a large portion of the assets in advances upon the securities of an unfinished railway and of enterprises which had not reached the dividend earning stage, or become recognized in the stock market. What the Comptroller was about to allow the 7th National to get into such trouble by so large a loan to one firm is open to explanation. The American law on this matter reads:

"The total liabilities to any association, of any person, or of any company, corporation, or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one tenth part of the amount of the capital stock of such association (National Bank) actually paid in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as money borrowed."

The wording is ambiguous, but the phrase, "The discount of bills of exchange drawn in good faith against actually existing values shall not be considered as money borrowed," seems to legalise the discount of bills drawn against a deposit of stocks or bonds as collaterals. This view, however, is not held by some American authorities, and local judgment in such matters is entitled to deference. Certainly, when they are judiciously selected, marketable stocks and bonds are more reliable securities as collateral for loans than the average of trade bills and promissory notes. But those advanced upon by the 7th National Bank were not marketable, they were the securities of enterprises that were earning no revenue, consequently their value was all in the future, and such a condition rendered them highly unfit for collaterals to protect loans made by a bank. The collapse of the 7th National proves that the system of bank inspection by a Comptroller of the Currency leaves large opportunities open for imprudent banking. It is his duty, says the "New York Post," to "insist upon a sound basis for bank loans," but this function is beyond the power of any outside official. To ensure there being a sound basis for loans the requisites are, sagacity, prudence, skill, and honour in bank managers. In those qualities the bankers of Canada stand in an eminent position.