

ABSTRACT OF BANK RETURNS.
30th November, 1891. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up..	\$ 34,501	\$ 17,268	\$ 9,465	\$ 61,234
Circulation	18,266	12,929	6,242	37,431
Deposits	78,069	58,825	20,961	157,846
Loans Discounts & Investments....	101,197	72,109	31,128	204,434
Cash, Foreign balances (Net) and Call Loans.....	37,032	23,237	6,035	66,304
Legals	5,106	3,543	1,454	10,103
Specie	2,982	1,943	878	5,783
Call Loans....	4,887	7,406	943	13,236

30th November, 1892. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up	\$ 34,691	\$ 17,505	\$ 9,706	\$ 61,905
Circulation	18,499	12,818	5,807	37,124
Deposits	89,062	67,494	23,160	179,716
Loans, Disc'ts & Investments....	110,672	77,706	33,958	222,336
Cash, Foreign Balances (Net) & Call Loans....	39,613	26,922	5,373	71,908
Legals	5,673	3,748	2,073	11,494
Specie	3,142	1,977	1,138	6,258
Call Loans....	8,225	10,470	1,320	20,015

A CASE OF AVERAGE IN MARINE ASSURANCE.

A schooner loaded with coal was stranded in Humber Bay, near Toronto, and abandoned. The hull was insured, but not the cargo, and notice of abandonment was given to the underwriters, who secured the services of an experienced wrecker and a wrecking expedition, and attempted to save the vessel. It was considered advisable and the best course in the interest of the owners of the cargo, as well as the underwriters, to attempt to save the vessel and cargo together. Owing to stress of weather operations could not be begun for some days after the expedition was ready, and when the wreckers got to work a portion of coal was taken out and an attempt made to save the vessel, but without success, and she had to be abandoned. Before any of the cargo was delivered the owners and the underwriters executed an average bond, by which, after a recital of the loss of the schooner, they respectively bound themselves to pay the losses and expenses incurred according to their respective shares in the vessel, her earnings as freight, and her cargo, and that such losses and expenses should be stated and apportioned in accordance with the established laws and usage of the Province in similar cases by a named adjuster.

The adjuster apportioned the loss between the underwriters as owners of the material saved and the owners of the cargo, making the amount due from the latter \$2,814, and an action was brought against them on the average bond to recover the same. The sum of \$557 was paid into court, and liability beyond this amount was denied.

It was held by the Supreme Court of Canada that the average bond only obliged

the owners of the cargo to pay what should be legally due according to the law of general average; that the cargo and vessel were never in that common peril which gives the right to claim for general average; and that the sum paid into court was sufficient to cover the cost which would have been incurred in saving the cargo by itself, and the underwriters were not entitled to recover more. The decision is of importance as determining the rights of parties under the circumstances set forth.

ESTIMATES IN LIFE INSURANCE.

It is tolerably evident that the tontine system, as applied to life insurance, has come to stay. Nearly every progressive company has adopted, under one name or another, this system of allocating profits. The tontine system, when legitimately used and honestly explained, has something in its favor. At the same time it opens the door for a great deal of misrepresentation. One of the most discouraging features of competition that an honest insurance solicitor meets with in his canvass is the question of estimates. An unscrupulous agent can so mix up estimates with guarantees that, unless the applicant knows something about the merits of the respective companies, the chances are that the honest solicitor representing an old and honorable concern, will get worsted by the unscrupulous agent representing some untried organization that has nothing better than youth and "estimates" to recommend it. Some life companies continue to use estimates that favor of deception. For, judging by past experience, it is difficult to see how they can possibly be even approximately realized.

We think it about time to call a halt in this matter, where estimates similar to the old original full-tontine estimates are now being used by companies issuing non-foreitable tontine policies. It is to be borne in mind that rates of interest are lower than they were some years ago, while the cost of obtaining new business in life underwriting is much higher. So that, knowing what some of the large American companies are actually paying on matured tontine policies, it seems strange that some Canadian companies still continue to use estimates that appear impossible of attainment. This feature is demoralizing to a legitimate business, and it is time a general revision of estimates was undertaken.

To illustrate the absurd length to which "Estimate"-makers will go, we give an estimate of a young company submitted to an assurer on a 20-payment Life Plan, 20-year semi-tontine, at age 48:

Cash value [per \$1,000 end of Tontine	
Period	\$1,917
Or paid-up policy	2,700

Now as the full Government Reserve on this policy is only \$667, the estimated surplus is \$1,250, or nearly one-half the cash value, is made up of estimated surplus, while the above cash surrender value is equivalent to nearly 7 per cent. compound interest on all premiums paid, besides carrying the risk for 20 years! Surely this is absurd, and such statements,

miscalled estimates, are calculated to discredit, before intelligent people, the company making them. On the same plan and at same age, old established companies only give the following estimates:

	Tontine surplus	Paid up policy
New York Life	\$725	\$2,040
Mutual, N. Y.	751	2,000
Equitable	810	2,170
Canada Life	965	2,344

The corresponding estimates of some younger Canadian companies are as follows:

Manufacturers' Life	\$1,085	\$2,565
North American	1,124	2,610
The young company above referred to exceeds all others, as follows.....	1,250	2,700

Such unwarranted guessing as this last is not creditable to a young company, and it would be more modest and more in accordance with probable results if one-third or one-fourth of the stated amounts were deducted. We hope the time is not far distant when young companies as well as old will proceed to issue more conservative estimates, rather than mislead credulous people, or discredit their own foresight in a matter so important as life assurance.

INTERNATIONAL RAILWAY COMMUNICATION.

In their fourth annual report, the Interstate Commissioners of the United States touch on the railway connection with Canada, in a way to create uneasiness and to prolong the uncertainty which a constant series of menaces has created. The idea of the commissioners, that American railway interests require to be protected against Canadian competition is a survival of McCullomism, the twin brother of McKinleyism, after the adverse verdict of the electorate of the Republic. The report divides the Canadian Pacific and the Grand Trunk Railways each into two sections, one being in Canada and the other in the United States, and treats them all, Canadian and American, as Canadian. Thus, the American public is told that of the total mileage of the Canadian Pacific, 5,565, 145 miles are in the Republic, and of the total of the Grand Trunk, 4,199 miles, 1,039 are, in the same way, outside of Canada. It is a confusion of terms to talk of 1,500 miles of American railways as Canadian, merely because they are operated by companies which have railways in Canada. All railways on United States soil are American; that is a fundamental condition of their existence; that some of them are operated by companies which have railways elsewhere is an accident, which does not alter that condition. All American railways may of course be subjected to the interstate law, which regards the long and the short haul; but the purview of this law is confined to the limits of the legislative jurisdiction of the authority by which it is enacted. If any railways within the United States be not subjected to the interstate law, within the limits of the territory of the Republic, whose fault is it? On what grounds does the exemption rest?

A question raised by the commissioners has reference to the Canadian jurisdiction.