

THE FARMERS' LOAN COMPANY A MEMORY.

An award has been made by the court to the Toronto General Trusts Corporation for its care and management of the estate of the Farmers' Loan Company since it went into liquidation in 1897. Chief Justice Falconbridge grants \$26,000 to the corporation, in addition to \$40,000 awarded in 1901. This sum also includes percentage on receipts and disbursements since November, 1901. The former totaled \$1,553,292, and the latter \$1,482,031. The creditors have received 85 cents on the dollar, and will likely get one or two cents more. The court declares that the liquidation has been successfully accomplished; indeed, that it is unparalleled in the history of liquidations in the Province. This company's failure was a shameful one. The loss of creditors was small, as above shown, but the whole of the capital was lost. Such was the condition of the affairs of the company disclosed by investigation that the interim liquidator, Edmund B. Osler, reported as follows:

"The position of the company is due to total disregard and ignorance of the first principles of accounts. No balance sheet had been taken off since the inception of the company. No attempt had been made to keep a proper ledger. Yearly accounts and balance sheets had apparently been arrived at by lump sum entries. The fact was overlooked that a very large amount of the company's assets brought in no revenue. The method of arriving at profits was to take the total amount of capital stock, reserve fund and borrowed money, assume that it brought from 7 per cent. to 6 per cent., take this total as profit, charge the amount up to investment account, and credit investment account with the money actually paid in. Years of this method of book-keeping has resulted in the company having taken credit for more income than was earned, and consequently paying out more than it received for revenue." It needed long time, frequent legal proceedings, and sometimes distressing measures to secure the whole of the assets for creditors. But that this was done the strong praise given to the liquidator assures us. May it be long before another Canadian financial company shows such a flagrantly dishonorable career.

GUARDIAN ASSURANCE COMPANY, LIMITED.

There is something attractive in a name when it is appropriate to the person or thing it designates. And probably this fact was recognized by the founders of this Assurance Company long ago, for "Guardian" is certainly an appropriate name for a company which transacts fire, life, accident and burglary assurance and has reserves of over \$19,000,000 to cover all their responsibilities. As the Guardian confines its operations in Canada to fire insurance alone, our readers will be naturally most interested in the fire branch of the company's business. We, therefore, look first at the fire figures, merely noting that the life and accident insurance funds exceed three millions sterling. The fire revenue account which includes burglary insurance business, amounted in 1903 to \$2,376,647, and the losses were \$1,131,418. The fire branch earned and transferred to profit and loss account in 1903 no less a sum than \$256,000. The company has a fire general reserve fund of \$2,125,000, and a further reserve of something over a million to cover unexpired fire policies. There is, therefore, an aggregate fund of \$3,175,000 to meet fire claims. Enough has probably been said to establish the strength of the company.

Its history would be interesting had we time or space to refer to it. The beginning of the company was in 1821, in the time of George IV., when it was established by deed of settlement, and it became a limited liability concern as lately as 1893. The capital subscribed was two millions of pounds, practically ten millions of dollars, and one-half of this was paid up. So successful has been the administration of the company that it has never been necessary to pay up a further proportion of the capital. The company pays to shareholders a yearly dividend of 8 to 10 per cent. and the

shares of £10 each, with £5 paid, are worth in the market £10 or over. Four Montreal gentlemen, W. M. Ramsay, J. O. Gravel, R. Wilson Smith and Hon. A. Desjardins, and one Toronto gentleman, W. H. Beatty, constitute the Canadian board. Mr. H. M. Lambert is the resident manager, and Mr. Bertram E. Hards the assistant manager. These gentlemen have to supervise a business in Canada which last year reached \$489,256 in premiums, and the amount at risk at close of 1903 was something over \$45,000,000.

ELECTRICAL STATISTICS.

Mr. George Johnson, the Dominion statistician, is the author of a paper full of interesting figures and dates, which was read before the Canadian Electrical Association in convention at Hamilton the other day. Since the invention sixty years ago of the Morse registering instrument the progress of telegraphy has been marvellously rapid. In the world to-day there are 1,764 telegraph cables, with a total length of 204,527 nautical miles, while on land there are estimated to be 5,004,200 miles of telegraph line. The daily transmission of messages over these is 36,000 cables and 1,400,000 telegrams, beside many thousands of words in press messages. In proportion to population, Canada largely exceeds the United States in miles of wire. As to electric railways, Canadian lines last year carried by these 167,704,000 passengers, a large proportion, compared with the city population of the country. There are in existence forty-six street railroads, with 455 miles of track, capitalized at about \$30,000,000; paid-up capital, \$17,000,000, bonded debt. In the United States there are 25,800 miles of track, capitalized at \$1,630,000,000, and carrying annually five billions of passengers. In regard to telephones, Mr. Johnson calculates that there are 815,000 instruments in use in the world, an increase of 144 per cent. in the last four years. Of light and power companies, Canada had (in 1903) 324, employing 1,786 hands, and with an invested capital of \$20,000,000. There were 14,780 arc lights and 1,212,861 incandescent lights. Of the plants in operation, 203 are in Ontario, but British Columbia shows the largest proportionate increase of any Province. Mr. Johnson concluded his very informative paper with some general remarks upon the future of the electrical profession. "The electrical engineer," said he, "is dealing with a force whose uses have become and promise to become even more in the future than in the past, so varied that, more than any profession, a man has to be a hustler all the time or he will become a way-back even while he is positive he is well to the front. The up-to-date man of to-day is rearguard to-morrow if he is not always on the alert, so rapid are the movements, so numerous the applications of the electrical forces."

BANKING AND FINANCIAL ITEMS.

The reduction of capital is being seriously considered by some of the Baltimore trust companies. The directors of one, the Baltimore Trust and Guarantee Company, have already voted to reduce the capital from \$1,000,000 to \$800,000. The motive assigned is generally the doubtful outlook for good business as compared with what it was up to two years ago. In 1899, it seems, there was a sort of boom in forming trust companies and more were formed than were needed.

The growth of the banking business of Ohio is shown by a recent statement. Twenty years ago there were four hundred banks in that State, with a total capitalization of \$41,389,735. A bare majority of these were private banks. To-day Ohio has about nine hundred banks, with a capitalization of about \$125,000,000, and deposits of \$555,000,000. About one hundred are private banks. The three societies for savings have deposits of \$60,000,000.

Action recently by several New York trust companies in reducing the rates of interest paid depositors has attracted attention as being in line with what conservative