

—The North of Scotland Mortgage Company has declared the usual dividend of 10 per cent. The mortgages now amount to £549,715, having increased £60,000 during the year. In Ontario the company obtained rather better rates than during the two previous years. The quantity of real estate in the hands of the company continues to decrease and is now down to a valuation, £7,144, and any possible loss on the sale is said to have been provided for. The arrears of interest are smaller than ever before, and there has been a decrease in working expenses. None of the money borrowed by the company bears more than $\frac{1}{2}$ per cent.

Correspondence.

INSOLVENCY LEGISLATION VS. COMMERCIAL INSURANCE.

To the Editor of the Monetary Times :

DEAR SIR,—I had the good fortune, a few days since, of meeting with a copy of your issue of December 12th, containing the article on Insolvency Liquidation vs. Commercial Insurance, and noting your wish to receive any remarks on the subject, apparently from residents of the old as well as the new world, I beg the opportunity of offering a few criticisms on what I believe to be an impracticable suggestion.

In the first place, I ought perhaps to mention that the question of commercial men insuring against bad debts has already been mooted in England, viz., in a letter to the Chamber of Commerce Journal (issued by the London Chamber of Commerce) of November the 5th last, a copy of which I enclose together with a subsequent letter criticising the proposals written by myself, appearing on Decr. 5th in the same paper.

Passing over the very plausible case your correspondent puts forward for traders helping themselves instead of seeking government aid, I will devote my attention to the principles "Alkali" suggests as those on which a company should be formed.

"The premium must be paid by the purchaser of the goods, &c., or in other words any firm or individual having connection with a commercial insurance company would have to charge higher prices for their goods, giving the alternative to the purchaser of paying a certain sum for the privilege of dealing with them, what respectable firm would submit to such treatment? Equal strictness would have to be adopted with all customers I presume: The premium must be paid by them. No favor could be shown to 'old customers,' 'reliable dealers,' and other usually favored persons, for should it so happen that one of the so called stable men failed and the creditor applied to the Coy. for payment of his debts, they would repudiate their liability on the score of 'improper care in dealing.' Again the merchant might charge an extra profit on the sales for the purpose of paying insurance premiums direct himself, and not by the round-about way through his customers. But, would not such an extra charge be a restriction on his trade doing more harm than good, and benefit his more speculative neighbors at his own expense, and that, too, most probably without reason. It is well to theorize about paying bonuses and returning payments to persons who abstain from failing during a certain period, but how are the incalculable losses to be paid if anything like an adequate return is made to the insurer who does not fail? The danger to such a company would be, not so much the small unscrupulous traders who fail, but the larger firms, who, trading on a fair name, generally accepted credit and apparent prosperity, incur liabilities out of all proportion to anything that could be shown as a 'set off.' A 'safe' premium for the company to charge would for a large concern amount to more than that firm's total average losses during the year. The whole question resolves itself thus:—Can a company, with any reasonable hope of success, undertake at a fair and low premium to insure a trader against loss by bad debts, undertaking that is the responsibility of guaranteeing liability for risks which are immeasurable? Or, placing the matter more in the spirit of 'Alkali's' views: Would it be possible (is it not unreasonable to imagine it) for any company to conduct the delicate inquiries that would be

necessary in examining the affairs of the purchaser even if the latter deigned to submit to such a sign of mistrust? To both these propositions I think most will agree a negative answer must be returned. In the first instance every customer of the trader would be another risk to the very calling for the levying of a further premium; and the second proposal to examine into such customer's affairs, private and otherwise, needs no comment to urge its immediate rejection as impracticable and inadvisable.

The organization of commercial insurance companies might do away with the bankruptcy proceedings, but would not the companies' requirements and realization of an estate involve almost as much loss of time and money as the former, and that too without "the strong arm of the law to protect" in cases of necessity.

This question of insolvencies is of too great a nature, of too serious consideration in the commercial world, to be left to private enterprise for solution. Complaints against the present chaotic state of the Canadian law are not confined to the Dominion. London, Liverpool, Manchester and other great English trading centres have pronounced against it, and no power short of legislation will administer an effectual death-blow to dishonest preferences and "bogus traders." Commercial confidence has been shaken too seriously in England over recent occurrences in Canada to be restored by any company however influential that might be created. Merchants are ready and willing, in fact waiting, to resume and continue their business on the old established lines of "equality," but they hesitate to go on dealing while the law recognizes the immoral practice of allowing an insolvent to administer his own estate. A strict law used to do more to purge the market of unsafe traders than any scheme of insurance that could be devised. In fact it is a most serious consideration in suggesting the latter course whether a still more dangerous speculation would not be awakened under the new trade regime than that now existing.

Yours faithfully,

A TRADER.

London, S.W., Jan. 5th, 1885.

TORONTO BOARD OF TRADE.

The annual meeting of the Toronto Board of Trade was held on Tuesday afternoon last, the 27th instant, Mr. Henry W. Darling, the president in the chair. It was the largest meeting ever known in the history of the Board, some seventy members being present, and it is not too much to say that the increased membership and the greater interest shown in the working of the body have been brought about mainly by the intelligent and energetic efforts of the president, Mr. Darling.

The report of the treasurer was first presented showing that the roll had increased from 148 members at the close of 1883 to 260 at the close of last year, a number which Mr. Rose thinks should be increased to 500. Of course, the amalgamation of the Corn Exchange with the Board accounts for a great part of the increase. The finances of the existing body show a surplus in hand of \$96 85; the income of the year being \$2,807.71, and the expenditure \$2,710.86. The disbursements must have been much greater had not Mr. W. H. Beaty, the solicitor of the Board, declined to make any charge for his time and trouble in preparing and passing through parliament the amalgamation measure.

The President next read his report, which we regret we have not space to print in full, but have referred to elsewhere. It was a comprehensive paper, dealing with many live questions in a business-like manner and giving facts and statistics of Toronto which show very conclusively her growth and importance. The President having moved the adoption of the report, Mr. Spratt, for himself and for the meeting, returned thanks to the president for his report and his labors, the report being the best which had ever been laid before the Toronto Board of Trade.

The motion was adopted.

The Board then proceeded to ballot for members of the Council, the Board of Arbitration, and the Harbour Commission. The Scrutineers were Messrs. Walter S. Lee, Robt. L. Patterson, and James Hedley. The choice was found to be as follows:

Council—Thomas Flynn, W. F. McMaster, R. W. Elliot, Hugh Blain, D. R. Wilkie, W. B. Hamilton, W. Christie, W. D. Mathews, jr., A.

M. Smith, R. Jaffray, H. N. Baird, J. D. Laidlaw, G. A. Chapman, A. B. Lee.

Board of Arbitration—R. W. Elliot, H. W. Darling, W. Ince, W. D. Mathews, jr., Wm. Galbraith, H. N. Baird, J. D. Laidlaw, Geo. A. Chapman, Hugh Blain, R. Jaffray, Geo. Goddard, Wm. Thomson.

Harbour Commission—A. M. Smith, R. W. Elliot, re-elected.

Mr. D. R. Wilkie moved the following resolution:—"That in view of the absolute necessity for the construction of a trunk sewer, and the perfection or improvement of our water works system, which will entail a large expenditure of money, the Board of trade desires to place on record its strong disapproval of the proposed erection of a new Court house and City Hall until the trunk sewer and water works are completed, and that the president, the vice-presidents, the mover and seconder, Messrs. Blain, A. M. Smith, A. B. Lee, J. Lobb, G. B. Smith, and W. Christie be a committee to wait on the City Council and present the above resolution."

The following gentlemen were balloted for and elected members of the Board:—Messrs. John Russel, Leslieville; and Robert Carroll, E. J. Lennox, and Robert Simpson, of Toronto.

On motion of Mr. Wm. Thomson, the president left the chair which was taken by Mr. W. Galbraith.

Mr. Thomson moved, seconded by Mr. W. D. Mathews, a very hearty vote of thanks to Mr. Darling for the manner in which he had discharged the duties of president during the year, expressing also the hope that he might live many years to occupy the president's chair.

The motion being carried by acclamation, Mr. Darling in returning thanks said it had been a pleasure to him to discharge the duties of the office. He thanked his colleagues and all the members for their constant courtesy and kindness to him. He demurred to the concluding part of the motion, as the ensuing year must be the last during which he should hold the position.

The following gentlemen were appointed a committee on bankruptcy legislation:—Messrs. Elliot, Blain, W. F. McMaster, Ince, Clarkson, Darling, W. Robins, and R. H. Gray.

MONTREAL CORN EXCHANGE.

The annual meeting of the Montreal Corn Exchange was held on the 14th instant in the Corn Exchange Room. Mr. John Magor occupied the chair in the absence of the president, Mr. Routh.

The Chairman, proceeding with the report said that as a body the corn exchange was very much interested in having the tolls on grain reduced and the report suggests that the government should be memorialized to continue the reduction of last year. The subject of trade relations with the United States was one that deserved great attention. The Washington treaty expired in July, and their duties would be charged between the countries as previously. It certainly would make a great difference in the trade. As for the fish and oil trade, in which he was personally engaged, he might say that ever since the treaty they had lost their Canadian home trade, which had been supplied by the Americans, and in return had received a very small proportion of the American trade. He was, therefore, personally of opinion that its expiration might prove of benefit.

After some minor discussion,

The chairman moved the adoption of the report.

Mr. Thomas Cramp, in seconding the motion complimented Mr. C. H. Gould, their representative on the harbor board. Referring to the subject of elevators, he expressed the hope that work would be continued on the Windmill Point elevator. He also spoke strongly of the necessity of having a complete new hydrographical survey made of the river below Quebec, and hoped the members of the corn exchange would use their influence to have this granted. (Hear, hear.)

Mr. Chas. Gould said the harbor commissioners were fully alive to the importance of the trade of Montreal of the Windmill Point elevator and would never be content until the work was thoroughly done and approaches to it made as perfect and complete as that of any other part of the harbor.

The report was then unanimously adopted.

An amendment to the by-laws was carried, fixing the annual meeting for the last instead of the second Wednesday in the month.

The election of office-bearers was then proceeded with.