

AGGREGATE INDUSTRIAL ASSURANCE IN EMPIRE AND UNITED STATES.

	No. of Policies	Amount in force	Average of Policies.
United Kingdom....	18,653,746	\$905,677,600	\$48.55
Australia.....	241,000	26,000,000	107.90
Canada.....	144,601	16,381,528	113.20
In Empire.....	19,039,447	948,058,128	49.7
United States.....	10,048,943	1,292,750,600	118.60
Totals.....	29,088,390	2,240,808,728	

According to population the averages per family are:—

	Great Britain.	Australia.	Canada.	U. S.
In force per family.	\$107.80	\$30.25	\$16.3	\$86.15

This comparison suggests there being still a wide field for industrial life assurance in Canada. Mr. Eedy gives the amount paid in claims by the industrial companies of United Kingdom, United States and Australia in four years, 1896 to 1899, as \$141,338,000, from which he concludes justly that:—

"The veriest sceptic must admit that industrial assurance has performed, and is performing, a work of incalculable good to the State and to the individual."

This, however, is only a partial view, as one of the greatest benefits of this system is the development of the habit of thrift, and the strength given to it by opportunities of exercise. The vast mass of the money invested in industrial life assurance would have been wasted in needless petty outlays had this opening not existed for prudent saving. The whole system of life assurance, also, has a valuable ally in this class of business, as the habit it has established leads many of the insured, as their finances improve, to secure an ordinary policy for a much larger amount. In whatever aspect the industrial life assurance is viewed it appears distinguished by eminently valuable services to those directly interested, to the system of life insurance generally, and to the community where it is established, for thrift is a bulwark of society and one of the foundations of commerce.

DO BRANCH BANKS DRAIN RURAL DISTRICTS ?

A charge has been recently made by an American writer, with a superficial show of reasonableness, that the effect of our branch bank system is to drain rural districts of their monetary resources for the benefit of cities. The case is given of an independent, small country bank with a capital of \$50,000, all of which was provided within the district, and to which bank all the local available funds flow in to sustain the local business trade. This institution is contrasted with a branch of a large city bank at a distance away, which the writer affirms uses this office to collect funds for transmission to head office, leaving a scanty supply for the needs of the local traders. The comparison is based largely on imagination. A small bank in the States may be the product of local capital and be aided by local deposits without being of any marked benefit to local trade. If money is

super-abundant in that locality, that is in excess of local needs, the earnings of the bank will be small, as well as the interest in deposits. To enable the local funds under such conditions to be profitable, the bank will have to send it to some centre where money is in more demand. If money becomes quite scarce in the locality, the local bank is liable to find its deposits withdrawn to earn higher rates. At the very time when the help of a bank is most needed the small independent local bank is very apt to have its usefulness curtailed, and the development of the local trade is apt to be paralyzed by the inability of the local bank to enlarge its resources proportionately with the growth of local needs. If such a bank has a note issue this is of little, often of no help whatever, in meeting the demand for money, for the circulation is based upon, practically, the same amount of money invested in government bonds. The conditions created by a branch bank being established in a rural district are incomparably more favourable to the local trade than a locally organized bank. In the first place there is no drain of local capital involved in the opening of a branch bank. To the extent then that such capital would have to be used to found a local bank, this local money is left free for use by the local trade. Then, the capacity of a branch bank to provide whatever local accommodation is needed is to no extent dependent upon local deposits. Such funds therefore are also left free for the local use of local traders. The branch bank is usually only too glad to enlarge the local resources by issuing its notes, the total sum of which is a clear gain to the local capital. These note issues in a rural district flow out to meet local needs almost automatically, so readily responsive are they to local monetary conditions. When these notes have served their purpose in meeting some temporary demand, as such arises at harvest time and while crops are moving, they flow back into the bank without causing the faintest sign of disturbance to local finances. If any rural district has money to spare, a branch bank can forward it to headquarters, where more varied issues of money exist, and its full market price can be paid for it. Whether then a country district is in need of financial help, or has money to spare, the branch bank meets either one condition or the other far more advantageously to the locality than can possibly be done by a small, independent local bank.

The greater safety of a branch bank is past dispute; it is a matter of common experience in Canada. In the States small rural banks are failing continuously, hundreds every year. In Canada the banks that have failed in fifty years do not number more than the average failures every month or two in the States. A branch bank practically places the great resources