

license was issued to the Canaean and European Export Credit System Company of Newark, New Jersey, to carry on in the Dominion the business of insuring wholesale dealers, jobbers and manufacturers against excess losses by reason of bad debts. The total premiums received by it during the year amounted to \$25,066, guaranteeing excess losses to the amount of \$748,500 on account of which no claims had arisen during the year.

BURGLARY INSURANCE,

which is transacted to a considerable extent in Great Britain, has been recently introduced into Canada. On the 14th June, 1893, a license was issued to the Dominion Burglary Guarantee Company (Lim.), whose head office is at Montreal, to transact the business of guaranteeing against loss or damage by reason of burglary or housebreaking, and of guaranteeing against loss of jewellery, bullion and other movable property deposited with it for safe keeping.

The amount in premiums during the year was \$11,288, covering insurance to the amount of \$1,711,850. The losses incurred during the year amounted to \$1,439.

ARE FIRE LOSSES A DESTRUCTION OF WEALTH?

A contemporary has taken to task all those who "lament with doleful sympathy the great depression in our national wealth caused by fire destruction." It is argued that, inasmuch as the replacement of property burnt gives employment to labor, *"this destruction becomes an element of industry"*, and as the wealth of a nation depends upon its industrial product, and those products are designed for daily wear and tear, the national loss must be inconsiderable, for it gains in the employment of the people." It is also urged that, when the buildings are razed to make room for better ones, this is styled an *improvement*, but if they were burnt they would be lamented as a *loss*, so that it is quite erroneous to lament the destruction of buildings by fire if they are replaced by more substantial ones. This would be very comforting if we could realize it. Instead of lamenting a fire, we ought, according to this doctrine, to rejoice over its being so destructive, for the more property is burnt the more labor is put into activity, so that, if a whole city were swept up in flame, it would be a cause for a national thanksgiving! We doubt whether our contemporary would see matters in his own light if his own premises and contents were burned up, especially if he had no insurance. The principle that applies to details applies to aggregates of such details. If one man is bereft of his capital by a fire he surely is the poorer, and, by parity of reasoning, if a score or more men have their property burnt, and they lose the value thereof, surely they are the poorer; hence if in a nation the whole of the owners of property so destroyed are thereby made poorer, it is incontestable, it follows as a logical necessity, that the nation, which is the aggregate of individuals, must have had its wealth diminished by fire destruction. The buildings were there, the goods were there, they had a tangible value; if then a fire causes them to disappear, that value has been destroyed, annihilated. That destruction has, according to its extent, lessened the volume of capital which exists in a country, and lowered therefore the reservoir from which is drawn the power to employ labor. The wealth of a nation does not depend upon its industrial product primarily, for where no stored capital exists, there can be no industrial product. The wealth of a nation consists in its capacity to employ labor. Before the harvest can be looked for there must have been wealth employed in cultivating the soil, buying implements, seed, and labor preparatory to the crop being reaped. So in manufacturing, without capital labor is useless. To say then that the destruction of

capital gives employment to labor is like saying that the way to get a good water supply is to drain the reservoir! That so large a proportion of losses by fire falls upon insurance companies does not make these losses any the less lamentable and injurious to industrial activities. Those losses are paid for out of the pockets of the great body of the people. If fires never occurred we should all have the more to spend on other objects, on objects that give employment to labor. The funds of insurance companies are not kept in a strong box, they actively are engaged in the industrial, commercial business of the country, in mortgages, loans and securities by which capital has been set in motion for all manner of enterprises, by which labor is given activity. The enormous fire losses have drawn heavily upon these funds, and have thereby made money scarcer and dearer. Had the drain been less from this cause there would have been proportionately more money in the country, the less need for borrowing abroad, and the more capital to sustain trade. We regard the doctrine that fire losses are no depreciation of the national wealth, as a very dangerous one. The incendiary blunts his conscience by this theory, he argues that, as the loss by his crime will fall on an insurance company, it is, after all, not a serious matter in a moral sense. To tell the community that, as fires stimulate industrial activity, they have a "redeeming virtue," is to make arson the handmaid of industry. Such a doctrine is as rotten in an economic sense as it is immoral and mischievous in its tendency. We therefore take our stand with those who "lament the great destruction of our national wealth caused by fire destruction."

THE AUGUST BANK STATEMENT.

August is one of the most uncertain months of the year, so far as bank returns go. The variations from July are very erratic, occasionally not very consistent with the ordinary routine connections of one change with another. The month is indeed one that stands between one season and another, it has much of the inactivity of the summer, with traces of the more stirring period of harvest gathering and distribution. Last August the note issues increased \$468,594. Out of the 39 banks included in the returns, 24 show an increase and 15 a decrease. Of the 10 banks whose head offices are in Ontario, only one decreased its circulation in August, and that by only \$2,730, leaving a net increase in those banks of \$276,281. Of the Quebec banks, 4 show decreases aggregating \$73,048, leaving an increase on the whole of \$267,488. Of the 11 Maritime Province banks, 7 show decreases, but the changes are insignificant in volume, the larger proportion of those banks that lowered their circulation, 7 out of 11, compared with the Ontario and Quebec banks, 5 out of 24, shows how different are the commercial conditions of the more eastern Provinces from those of Quebec and Ontario, and thus how liable general conclusions drawn from the bank returns, and based upon the totals only, are liable to be more or less defective owing to causes operating in one section of the country, and not in others, affecting such totals. The net increase in circulation of less than half a million is very small, and indicates a restriction in the class of business which begins to show activity in August. In 1873 the note issues went from 22 up to 23 millions, in 1891 from 30 up to 32 millions, and other years have shown equally large increases. There is a very marked indisposition to market wheat, owing to its