

a sale, at least Mr. Tuttle has contrived to get a reputation for compiling books that do sell. All we hope is that no one will believe that in purchasing the book he is really getting a history of Canada on which he can place the slightest reliance.

#### THE BANKERS' MAGAZINE—DECEMBER.

This valuable periodical contains, as usual, a number of interesting papers on the silver question, resumption, bank taxation, postal savings banks, &c. The article on the Belgian monetary documents is especially interesting at the present moment when the unscrupulous inflationists of the United States are sparing no effort to make converts to their views. It is deeply to be regretted that the people of the Western and Southern States seem to be so grossly ignorant on a subject in which their own interests are so deeply involved. These people want to have money plenty, and have been taught to believe that the effect of a resumption of specie payments with a gold standard will be to cause a great stringency in money. This is a complete delusion, as, just at present, the American government is a borrower from the nation to the extent of \$350,000,000 in the form of circulating bank notes. The effect of resumption would be to cause this loan to be funded, if not entirely, at least to a very great extent, and, if National Bank notes should replace greenbacks, the loaning power of the banks would be increased thereby. It is, however, important to have it clearly brought under the notice of the people of the United States, that the European nations, France, Belgium, Switzerland, &c., which have a double standard nominally, take care to guard against a depreciated currency by limiting the coinage of silver. If the United States can hit upon any plan by which the coinage of silver can be limited, the objections to the double standard will be considerably lessened. At the same time it will be unfortunate if any change should be made. The difficulty is that the advocates of silver are wholly irresponsible, and we have the extraordinary spectacle of a government elected by the nation at large entertaining perfectly sound views on the question of resumption and the standard, while the Houses of Congress seem disposed to force upon that government a policy which it has unequivocally condemned. It is consolatory to reflect that such a state of things could not exist in Canada.

The German National Savings Bank at Chicago has failed, with liabilities of \$300,000, due to 2200 depositors.

#### HALIFAX—A WINTER PORT.

We were wholly unable to notice in our last issue the communications which took place at Halifax between Sir Hugh Allan and a number of gentlemen interested in the trade of that city. We think it fortunate that the parties interested should have had an opportunity of meeting and interchanging views on the subject. It is quite clear that if the people of Halifax really wish that their port should become a depot for western produce they will give their best consideration to the suggestions made to them by Sir Hugh Allan who frankly explained to them his own position as a carrier of merchandise, who would most readily afford all necessary facilities for carrying produce from Halifax on the most favorable terms. The people in other parts of the Dominion would be much pleased to learn that there was any prospect of Halifax becoming the winter port of the Dominion.

#### THE CANADA AGRICULTURAL INSURANCE COMPANY.

The paragraph ament this company published in our columns last week has doubtless prepared our readers for further developments. The fatal "third year" has severely tried many a company, and the Canada Agricultural, which was inaugurated in 1874, has been weighed in the balance and found wanting. There are, however, more than ordinary causes to account for the failure of this company, and these were so successfully concealed that even leading directors themselves confess that they had no conception of the enormity of the circumstances. We shall attempt to give our readers a brief history of this grand insurance *fiasco*.

It is now over three years since arrangements were made to transfer the Canadian business of the Watertown, N. Y., Agricultural Insurance Company to the then projected Canada Agricultural Insurance Company, Mr. E. H. Goff, formerly manager of the Watertown, being the moving spirit in the matter. By these arrangements the new company reinsured the total risks of the Watertown, about \$24,000,000, at about eight cents on the \$100 for an average period of one and a half years, Mr. Goff getting a bonus of paid-up stock in the transaction amounting to \$15,000, which, with a few smaller items, virtually absorbed the small sum named. Unwarranted liberties were taken with the arrangements with the old company, resulting in considerable disadvantage to the new concern; among other things, items properly chargeable to the former company, less items they should have received credit for, showed a

loss to the Canada Agricultural. This left the young company saddled with \$24,000,000 of risks, without having received one cent of premium, through which, to the present time, it has lost \$70,000 to \$80,000. Among other organization expenses we note \$8,000 as having been paid for commissions in procuring stock.

The statements periodically made by the company require a patient examination in the face of recent developments; and the various and vigorous means resorted to from time to time to raise money were worthy, perhaps, of greater success. The manipulations of the manager and a couple of brokers in raising \$33,000 by means of a special \$50,000 worth of stock about a year and a half since, and the subsequent retirement thereof, can only be referred to briefly at present. Being closely pressed, the manager resolved on a bold scheme. He procured the consent of the company to a reduction of the ten per cent. subscribed capital of \$1,000,000 to a fully paid-up capital of \$250,000. Having purchased with his notes a large portion of paid-up stock, and two calls of ten per cent. each being made, the manager made overtures to such shareholders as were known to possess means to exchange with them portions of his paid-up stock for an equivalent of their ten per cent. stock, and make them a liberal allowance in a reduction of the amounts of the two calls. In this way a considerable sum was procured, and one result is the possession of \$500,000, half the subscribed capital, in the hands of the late manager. By the recent investigation it is learned that the books of the company do not present the actual position of the stock, which is now in a state of confusion, as well as illegality, and it is held that the action of the Board has led to serious complications, at least until sanctioned by the Legislature, and it is not unlikely that it may involve the Board in some degree of responsibility as well as trouble, unless they hasten to mend matters ere it be too late.

The examination also shows that, not only is the entire paid-up capital of \$200,000 all exhausted, but that the present liabilities of the company will eat up calls to the amount of forty per cent. of the subscribed capital, and it need hardly be remarked that there is little prospect of getting that proportion out of the half million of stock held by the late manager.

The accounts of the company it will hardly be supposed are in a good shape. Many accounts that should have been opened do not appear, and if all had been properly represented to the Board in 1875