

speculation it is difficult to invest it for short dates. As I predicted, your silver combination has already pretty well fallen through; Hamilton and Ottawa have both relapsed and I expect Toronto will soon follow, these private combinations never last long. Stocks of all sorts rule high and are in demand. Bank of Montreal has, however, receded to 133½. Full quotations of stocks and shares will be found in our stock lists. The price of silver to-day is, buying 4½, selling 4½. Greenbacks buying 31½ to 31½, selling 31 dis. Gold drafts, par. Exchange on New York, buying 31 to 31½, selling 30½ dis.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

There was a good average business, done in Stocks this week; but the demand exceeds the supply.

Bank Stock.—There were sales of Montreal at 134½ to 135 the market closing at 134½. British is offering at 104, with buyers at 103. Transactions in Ontario are reported at 98 to 98½, closing with buyers and sellers at the latter rate. We have to quote an advance of three per cent. in Royal Canadian; considerable sales having taken place at 85 to 85½. Commerce sold at 103½ to 103½, and is in great demand. Gore is held at 50. Merchants sold at 105 to 105½ and 106, and there is a good demand. Molson's is wanted at 110. For City 102 would be paid; none in market. Du Peuple closed at 107½; the books are now closed for the payment of dividend on the 1st September. No Nationale in Market. There are buyers of Jacques Cartier at 106. Mechanics, Union, and Quebec nominal.

Debentures.—There were sales of Currency 5 per cents. at 90½, 90, and 89½. No sixes in market. Dominion Stock is offered at par. Toronto are still offering at rates to pay 7 per cent. interest. There were considerable sale of County at rates to pay about 6½ per cent. interest.

Sundries.—City Gas sold at 105 and is in demand. Building Society Stock is much sought for, but none offered except some Freehold which sold at 103 to 104. Montreal Telegraph is wanted at 133 to 135. Canada Landed Credit sold at 62 to 62½. A few good Mortgages were negotiated at 8 per cent. There is a fair supply of money on good securities.

Insurance.

MONTREAL ASSURANCE COMPANY.

The following correspondence between this Company and Mr. Harvey, of the Finance Department, will explain itself:—

MONTREAL ASSURANCE OFFICE,
Montreal, 21st July, 1868.

A. HARVEY, Esq.,
Dept. of Minister of Finance, Ottawa.

SIR,—I duly received your circular letter, conveying copy of the Insurance Act of last Session. This Company was authorized to transact Fire Insurance business by the special ordinance of the Province of Lower Canada, 3rd & 4th Vic., cap. 37; Life and Marine business by the Act of the late Province of Canada, 6 Vic. cap. 22; and Ocean Marine, by the Act 13 & 14 Vic., cap. 41. This Company has never transacted any Life Insurance business; it withdrew its Fire Insurance business from the late Province of Canada West three years ago, and that branch is now restricted to the Province of Quebec. Its Inland Marine business is confined to the Provinces of Ontario and Quebec, these forming the late Province of Canada, by the Legislature of which it was authorized to transact that description of business. Under these circumstances, I am advised that it is

not necessary that this Company should take out a license under the Act referred to.

I am, sir, your obedient servant,
(Signed), Wm. MURRAY, Manager.

AUDIT OFFICE, OTTAWA,
July 23rd, 1868.

DEAR SIR,—In reply to your favor of the 21st, I have the honor to state that you are without doubt correctly advised, and that it is not necessary that for the transaction of the Insurance business specified in your letter, you should take out a license under our new law. Will you, however, allow me to add that the four Chief Ontario offices have deposited \$17,000 each, and will receive their license on the first prox., and that it would be very pleasing to this department, were your office, and indeed, all Canadian offices, to fall in with the insurance policy of the Government. This would strengthen our hands in dealing with foreign Companies, and, perhaps, conduce more than any other step to the building up of a sound and strong insurance interest among ourselves.

I have the honor, to be, dear sir,

Your obedient servant,

(Signed), ARTHUR HARVEY.

To Wm. Murray, Esq., Manager Montreal Assurance Office,
Montreal.

MONTREAL ASSURANCE OFFICE,
Montreal, 8th August, 1868.

ARTHUR HARVEY, Esq., Audit Office, Ottawa.

DEAR SIR,—I duly received your favor of the 23rd ult., which would have had my earlier attention but for absence from the city. Had this Company been transacting any business at the time, requiring a compliance with the Act, the deposit would, of course, have been made; as it is it would afford the Directors pleasure to meet the views of the Department, could that be done without entailing the actual loss which would result from a transfer of the funds of the Company from present securities paying from eight to ten per cent into bonds returning but six per cent.

I observe that several foreign Companies have deposited various descriptions of securities, and if a similar course of proceeding on the part of this Company would be satisfactory to the Government, the directors would be happy to transfer the amount required, \$50,000, in Montreal Bank stocks, reserving always power to draw the dividends on the same. Be good enough to advise me if this arrangement would be likely to answer, and oblige,

Dear sir, your obedient servant,

(Signed), Wm. MURRAY, Manager.

REPORT OF THE CONNECTICUT INSURANCE COMMISSIONER.

We give below some extracts from this report which will be found interesting:

At the present time there are fifty-one Fire Insurance Companies incorporated by other States, doing business in this State under Certificates of Authority from this Department.

These institutions are sustained by capitals amounting to \$18,400,000, and they have also in earned and unearned premiums, interest, &c., the further sum of \$15,403,500, making in gross assets \$33,803,500 all of which are held liable for insurances amounting to \$1,921,481,127.

The severe losses of 1866 were not repeated in full measure last year, therefore Fire Insurance Companies now present a better state of finances, but losses are still very heavy, and some means should be devised to either diminish fires, or avoid insurances which seem now to be too freely taken.

It is now an established fact, that almost any city or compact town can establish water-works which will pay the interest on the cost, by furnishing water to water motors, for light machinery, leaving at the same time power by day, and especially by night, free for protection against fire, without cost.

In all cases where the water head creates power to a water hydrant, equal to a steam fire engine,

such hydrant is equal to a fire engine, and better too, for it furnishes its own power and water, and saves the cost of the steamer, fuel, &c., besides the hydrant is always ready day or night, the instant the water is needed.

The gross receipts for premiums of the fifty-one Fire Insurance Companies doing business in this State, were for the year 1867, \$21,425,764, and their losses paid amounted to \$13,180,544.

The progress of life insurance is very rapid at the present time, indicating extraordinary activity on the part of solicitors and agents, to whom large allowances, as commissions and fees, for the services they render, are paid.

There are at the present time twenty-six life insurance companies incorporated by other States, doing business in this State, under certificates of authority from this department.

All but six have specific capitals, amounting to \$2,390,000; their gross assets amount to the sum of \$76,389,583, of which there is unrealized, in commuted commissions, dues from agents and premiums not yet collected, quarterly and semi-annual premiums not yet due, advance in the market value of U. S. securities and bonds and Stocks, in all, a sum not less than \$24,748,200.

The liabilities of these companies for policies in force amount to \$505,133,793, and their outstanding dividends, in various forms, amounts to over \$20,000,000.

That these life insurance companies are sound and reliable, cannot be doubted; that they will prosper, is almost equally certain, but such policy holders as believe that life insurance companies can be conducted and perpetuated without absorbing, annually, a part of the premiums paid in, either deceive themselves or allow others to do it.

It is true, that now and then losses will favor the company, by falling below the expected annual average; but sooner or later losses will overtake the company, and each company should keep its accumulations advancing, in order to meet the mortality which time is sure to bring upon them.

The most favorable system of dividends for both the companies and the insured would seem to be that which leaves the dividends with the company, as an addition to the amounts insured, to become a part of the policy and payable with it.

In regard to the standard rates of interest to be adopted in making calculations for life insurance companies in the United States, but little need be said; for while it is well known that six per cent per annum is the lowest legal standard of any State, and runs up to 10 per cent and more in many States, it is a retrograde movement to introduce English standards, or to try and drive American life insurance companies down to English rates of interest.

There seems to be a determination to force upon American life insurance companies the low standard of English life insurance tables, based upon four or five per cent of interest. Such an effort indicates a singular theory of financial affairs in the United States; for though money is more plenty than ever before, the nation, the States, and most of the cities and towns are borrowers, and very little money is borrowed as low as six per cent per annum, and billions are and will be borrowed by the States, and by individuals on improved real estate, at rates varying from seven to ten per cent per annum: besides those who borrow at national banks pay at the rate of eight per cent per annum, including what is called exchange or undrawn deposits, and no moneyed corporation lends without the borrower pays the money taxes, be it lent to the State or to the individual borrower.

So long as the vast territory of the United States requires money, it will command a high rate of interest, and the attempt to adjust life insurance in this country on a basis of interest on money, common on the Island of Great Britain, where it is a drug, is as absurd as would be the attempt to adjust a republican form of government on the basis of crown titles and entailed estates.