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Never in Question.

A number of our contemporaries are exhibiting statements for the purpose of showing that the life companies whose officials have been under examination by the New York State legislative committee are perfectly sound. Are not arguments with such an intention works of supererogation? We have never heard, or read of the financial stability of the leading life assurance companies being called in question. Not a particle of evidence has been adduced to justify any degree of doubt on this point. On the contrary, the whole tenor of the evidence has shown that the superabundant financial resources of the companies under review, their excessive strength, has led to some extravagances and manipulations of funds, which, though reprehensible, have not affected their stability in the slightest degree. Defending what is not attacked is not wise, unless attacks are anticipated.

Craving for Bigness Condemned.

It is becoming generally recognized that the irregularities of certain insurance company officials were the outcome of conditions created by the craze for huge figures. "The Spectator" considers that, "These hundreds of millions at their command accounts for syndicate participations, subsidiary companies, unprofitable real estate holdings and extravagance in various directions. The unreasonable craving on the part of company officers for "bigness," for beating each other in the race for business and in the accumulation of funds, or leading the life insurance companies of the world is responsible for all the scandals that are now being brought to light and widely disseminated to the prejudice of life insurance in general. They have accomplished their object, but at what a cost. How long this contest between the "racers" might have gone on it is impossible to say, but recent events have called a halt to their am-

bitions and given them fair warning that the time has come for them to pay exclusive attention to the interests of policy-holders to exercise strict economy and avoid speculative investments."

Limiting the growth of the business of life companies to a stated amount has long been advocated in this journal as by some others. As our contemporary remarks, "The public has now taken the matter in hand," and this will probably be one of the reforms effected as the result of the present investigation.

Number Engaged in Life Assurance Business.

The large number of persons who make a livelihood out of life assurance puts this business ahead of the majority of occupations. The "Insurance Press" has been taking a census to ascertain how many derive a living from this source. The aggregate number is 65,000, of whom about half are engaged in industrial business. Though we doubt the absolute reliability of the figures used by our contemporary in order to show the average yearly income of these 65,000 workers, which is stated to be \$1,400, this conclusion may be taken as a fair estimate. There are thousands of persons who solicit life business who would not give this as their calling in a Census paper.

This vast and influential body of intelligent and successful men, numbering 65,000 of some of the nation's best citizens, are interested spectators of the present insurance investigation. They must hear and read with peculiar emotions the sneers and abuse of the committee and the newspapers upon them and their business.

Next to the 21,000,000 policy-holders in the United States, these men have more at stake than any one else. Their livelihood is at issue. Hard as is their work under normal conditions, their difficulties are increased by the unfair and shameful and wholly unintelligent remarks on life assurance which are constantly published in the daily press.

On September 10 to 15, the 5th International Congress of Actuaries will be held at Berlin, Germany. Papers are invited on the following topics:— Industrial insurance, children in particular; Methods of calculating and determining extra premiums for hazardous risks; What form of policy reserve should be carried on hazardous, war and other risks; Mortality table for annuitants, should the mortality tables for immediate annuities be the same as for deferred and survivorship annuities; Methods of insuring abstainers and those in the liquor trade; Insurance on the lives of women; Taxes on insurance companies; Limits within which insurance is possible; What kinds of insurance have an ethical and social value from an actuarial point of view; Methods of conducting mortality investigations; The progress of teaching actuarial science in schools and colleges; The progress of insurance legislation; Aids to actuarial calculation; Calculating machine; The uniformity of legal requirements; What is meant by invalidity from an insurance point of view; Insurance in Germany. Over twenty subjects for papers are enumerated, on most of which discussions will take place.

The programme is far too lengthy.

The subscription for membership in the Congress is \$4. Information respecting this conference may be had from Mr. Israel C. Pierson, correspondent for the United States and Canada, New York.

The Waste by Fire.

In a paper by Mr. Alcide Chausse, it is stated that 9 lives are lost by fire every year for every 100,000 of population. "If the loss of life is appalling the loss of property is disgusting. Our fire losses are equal to a tax of \$25 per year per family. We have burned up one thousand millions of dollars worth of property in six years. Most losses, so called, are really but exchanges, one product turned into some other form, a loss, perhaps to many, but a gain to someone. Not so with fire. That loss is final, absolute, and the visual one is actual.

New York averages 8,700 fires a year, Chicago 4,100. We burn up three theaters, three public halls, twelve churches, ten schools, two hospitals, two asylums, two colleges, six apartment houses, three department stores, two jails, twenty-six hotels, one hundred and forty flat houses, and nearly six hundred homes every week of the year. We may say that every person who lives or has business in buildings is more or less exposed to danger by fire, owing to our recklessness, or criminal carelessness or ignorance, but setting aside such broad terms we have estimates that there are 36,000 lives daily in danger; that is, there are that many people directly exposed to fire people who escape from

burning buildings, lives that are in imminent peril. No war, however bloody, shows any such average of lives daily exposed to destruction. And what is being done to prevent this terrible loss? A little, almost hopelessly little in the way of prevention, though much as a palliative. We throw water upon our fires (and are constantly endeavouring to throw it more scientifically) and expect the next fire to burn less fiercely because thereof. As far as cure goes, note how little we have done. In all this broad continent there are but 3,000 buildings that can be called "fireproof," and that very largely only in their structural parts, that is, fire-proof buildings like those in Baltimore, whose steel frames and terra cotta floors withstood the attack where all else about them, the stone, the marble, the wood, went the way of all things combustible or destructible.

MONTREAL BOARD OF TRADE AND FIRE INSURANCE.

REPORT BY THE COMMITTEE ON FIRE INSURANCE.

The Committee of the Board of Trade, which has been considering the questions of fire insurance rates and the city fire protective service, presented its report on 20th ult., to the Council of the Board, through its Chairman, Mr. F. H. Mathewson.

The report is an exhaustive and most able review of the whole situation. Mr. Mathewson and his colleagues are very highly to be commended for their earnest consideration of these matters which must have occupied a large amount of their time and involved tedious labours and prolonged conferences with the Underwriters' Association and the Civic authorities.

The following is a synopsis of the committee's report:

1. The low level pumping station though wired for electric lights is in constant danger of fire from 38 coal-oil lamps being used every night.
2. The hydraulic and three steam pumps are working to their full capacity and there is no reserve power at the present time.
3. A new steam pump has been ordered for delivery on February 6, but is not likely to be in working order for some months. In the meantime, the city will be without any reserve capacity, although competent authorities have declared that a reserve of 50 per cent. ought to be provided.
4. The Committee regards the increase made in men and appliances in fire protection service as not having kept pace with the growth of the city. In view of this and of the annexation of suburban municipalities more station houses, appliances and men are urgently needed.
5. The fire alarm system is condemned as "most obsolete" and so long as it remains in the tower of

the City Hall is liable to destruction by fire at any time.

6. The bye-law regulating interior electrical installation passed in 1901, is not enforced and the Committee is advised by an eminent expert that most of the interior installations of this city are defective and a source of danger.

7. Nothing has been done to have the law regulating the storage of explosives carried into effect.

8. A by-law has been introduced providing that all wires be placed underground. The city has been divided into 5 sections and the wires in Section No. 1 have been ordered to be removed next year and other sections each succeeding year.

9. The city's building by-law is not enforced and complaints are made by members of the Board of Trade that their rates of insurance have been raised on account of wooden or other unsafe buildings being erected alongside their premises. The Committee is advised that the staff of city officials, whose duty it is to see the above by-laws enforced, is totally inadequate for a city the size of Montreal.

10. The recommendation of the Board and of the Fire Underwriters' Association for the installation of a high pressure water system have not been acted upon, the city authorities not approving of it. Your Committee would, however, call attention to the fact, that a number of the leading cities in the United States and Canada have adopted this system, and that Toronto, Winnipeg and St. John, N.B., are now spending large sums of money on its installation.

After the above statements the report goes on to point out that the Committee has failed in its efforts to induce the Canadian Underwriters' Association to reduce the rates of insurance until improvements such as those outlined have been made, the Association's last utterances to the Board being as follows:

"The companies are reluctantly compelled to announce that no material reduction in existing rates can be expected until some of the more important improvements have been completed and have been so effectively handled by those in charge of the fire brigade as to result in a decided and maintained decrease in the long continued heavy losses by fire in the congested district."

The Committee closes its most valuable report by recommending that it be printed, with a full report of the council's action in connection with the matter of fire insurance rates and the protective fire service of the city and a copy sent to every member of the Board prior to the meeting to be called, so they may have an opportunity of deciding upon further action towards obtaining the desired reduction in rates.

The council expressed much satisfaction with the work and the report of the Committee and decided to have the report printed and distributed as was recommended. The members of the Council highly appreciated and commended the zealous work done in this connection by Mr. F. H. Mathewson, chairman of the Committee.

THE FALLACY OF AVERAGES, IN REGARD TO FRATERNAL SOCIETIES, ETC.

The very common method of securing the general average of a number of individual averages seems sound enough when viewed superficially.

A recent incident has shown that it may delude even those whose very business ought to make them familiar with the correct way of getting at the common or general average of a number of others. Take an illustration. Suppose for a series of 5 years the premiums and losses of a company are as follows and the average of these years is worked out by a very common method:

Year	Premiums, \$	Losses, \$	Loss ratio, per cent.
1	55,400	27,478	49.60
2	56,800	33,341	58.70
3	61,600	40,902	66.40
4	64,500	48,439	75.10
5	62,100	68,129	109.70
Total of ratios.....			359.50
Divide by 5 as the number of years....			71.90

According to this plan the general average loss ratio of those 5 years is 71.90 per cent. This, however, is quite erroneous, though plausible. The correct plan is to ascertain the total premiums in the years under notice and the total losses, then divide the total losses by the total premiums, and the result is the general average loss ratio of those years. In above case the aggregate premiums amount to \$300,400 and the losses \$218,289, the correct general average in this case being 72.66 per cent. instead of 71.90. This is quite elementary, but there are many who seem to have forgotten what arithmetic they learnt at school.

We recently saw a person of good education, conducting an argument in regard to the proper deduction to be drawn from the respective averages of the figures for two series of years. These figures showed that, for one series of 5 years the general average was a certain percentage, and the general average of the other series of 4 years was another percentage. He declared that, to get the average for the two tables combined, it was only requisite to add the two general averages together and divide the total by two, because the total was made up of the sum of two tables! How this worked out may be seen by an example:

Table No. 1.		Table No. 2.	
\$		\$	
40,000	.....	12,000	
60,000	.....	26,000	
70,000	.....	10,000	
30,000	.....	5,000	
20,000	.....	
\$220,000	.....	\$53,000	
Average of 5 years	{ 44,000	Average of 4 years	{ 13,250

According to the plan under notice, if these two averages are combined and then divided by two, the product will be \$28,625. But, if the sum of the

two tables, which is \$273,000, is divided by the number of years comprised in them, that is 9, the average of the combined tables will be \$30.33, which is obviously correct.

Mr. J. Howard Hunter, N.A., K.C., registrar of Friendly Societies, made some interesting remarks on this topic in an address to the Canadian Friendly Association. He declared these societies were being vexed by the "Average" fallacy. The fact that, an arithmetical average can be formed of 3 abstract numbers does not imply that if these three numbers are attached to three concrete objects, the average of the abstract numbers will represent an average of the three concrete objects, or have any relation to them. The average of 3, 4 and 8 is 5, but the average of 3 pounds of fish, 4 pounds of fowl, and 8 pounds of mutton is certainly not 5 pounds of fish, fowl or mutton.

Before any average can be taken of concrete things, they must be not only of the same kind, but of the same quality. Otherwise mistakes may be fatal.

This question of average has most seriously confused and misled friendly societies. A member of one boasts "the average age of all our members is only 35," and he infers the death rate as if all the members were 35 years of age. This, says Mr. Hunter, "is completely delusive."

Mr. Dexter, superintendent of the Mutual Life of New York, illustrates this by taking the case of a society of 100,000 members, 50,000 aged 20, 50,000 aged 50, whose average age is 35. The deaths in one year in 100,000 members, each aged 35, would be 895. The deaths in 50,000 members each aged 20 would be 390, and in 50,000 aged 50 would be 680. This would make the total deaths 1,070, as against 895 under the other computation, and the society which made the false average would be out of its estimate by 184 deaths in one year. As Mr. Hunter points out, "The death rate in any society depends, not upon the average age of the members but upon the several ages of the individual members."

Another most persistent fallacy is that of founding premium rates on the rough sort of average known as, the "Expectancy of Life." Against this a warning was given in the Ontario insurance report some years ago. But, "this fallacy, which in some persons resists all exorcism involves a total misapplication of the Expectation Table. The use of compound interest is inseparable from the calculation of the value and amount of future premiums. But the increase of mortality proceeds at such an irregular rate of acceleration that the calculation must be made from year to year, instead of upon the basis of the average time involved. If the premiums were calculated upon the "Expectation of Life" the shortage in the expected premiums would be serious. To illustrate this a table of

American experience at 4½ per cent. with an addition to show the shortage is given. We have given only 4 of the years of this table, as our space is too narrow for the whole.

Ages.	10 yrs.	20 yrs.	30 yrs.	45 yrs.
Expectation in even yrs.	49	42	35	25
Net annual prem. for all life insurance of \$1,000.....	9.973	11.976	15.336	25.986
Amount of \$1 per year during expectation. Int. 4½ %.....	117.5030	124.2764	85.1640	46.5706
Amount expected to be paid by Socy. in prem. and net.....	1770.24	1487.08	1306.07	1210.18
Deficiency in amount actually received....	770.24	487.08	306.07	218.18

"Taking from this table," says Mr. Hunter, "the case of a member entering at 20 years of age, the error against the society would be \$487.08. The result is that, where you calculate premiums on the 'Expectation' as a financial basis, you are misled as to the moneys that will enure to the society. Even as an estimate, it is wildly wrong."

The rock upon which so many fraternal societies have been wrecked, the rock towards which some are now sailing direct, is a disregard of actuarial principles, which usually arises from ignorance of what those principles are and on what they founded.

THE BANKING SYSTEM OF CANADA AS COMPARED WITH THE SYSTEM OF THE UNITED STATES.

THE CAPITALISATION OF CANADIAN AND OF AMERICAN BANKS COMPARED; THE SMALL AMOUNT OF CAPITAL OF UNITED STATES BANKS A WEAKNESS AND DANGER; THE CURRENCY SYSTEM OF THE COUNTRIES CONTRASTED; CANADA'S SAFE AND ELASTIC, AMERICA'S SAFE BUT NON-ELASTIC; THE BRANCH BANK SYSTEM OF CANADA EULOGISED AND ITS SUPERIORITY DEMONSTRATED; THE INSPECTION OF BANKS, AND CASH RESERVES; A VERY ABLE ADDRESS WHICH WAS HIGHLY APPRECIATED.

The Canadian Club, Ottawa, has heard a number of excellent papers read and addresses delivered. On the 25th ult., Mr. Duncan M. Stewart general manager of the Sovereign Bank, delivered a highly interesting address before the members of this Club in which he described the salient features of the banking systems of Canada and of the United States which he contrasted and compared.

In his introductory remarks he dwelt upon the beneficial effects of disseminating knowledge and conveying correct information to the people concerning questions of a public nature relative to the institutions of the country, especially those vitally associated with commercial interests. Anything that tends to create a feeling of distrust in public institutions must be detrimental to the best interests of a country and demoralizing to its people. It is,

therefore, of the highest importance that our banks and other financial institutions, their methods and management, should be so conducted as not only to inspire but fully merit the fullest measure of public confidence.

After stating the difficulty of giving detailed comparisons of two banking systems in a brief address he proceeded to state

THE CAPITALIZATION SYSTEM

of the banks in Canada and United States. There are two kinds of chartered banks in the States, viz. those under State Laws and those under the National Banking Act. Both may issue notes and transact a general banking business, but as the circulation of State banks is taxed, they are practically prohibited from issuing notes. In Canada there is only one kind of chartered bank, all of which operate under the Bank Act of the Dominion. Since 1867 the provinces have ceased to have the power of legislating on currency and banking.

An American National Bank may commence business on a capital of \$25,000. In Canada the smallest capital on which a bank is allowed to do business is \$250,000. This sum must be deposited with the Dominion Government before a bank can issue a note or commence business. With this deposit a new bank must place a list of the subscriptions to its stock to extent of not less than \$500,000. Before a Canadian bank can begin operations it must have subscriptions to its stock of \$500,000, which gives a liability of the subscribers to extent of \$1,000,000.

This system distributes the stock liability amongst a considerable number of shareholders, and, in Mr. Stewart's opinion, "the wider the distribution of a bank's stock the better for the public."

EVILS OF SMALL INDEPENDENT BANKS.

In the United States one man frequently controls the entire capital, which is easy when it amounts to only \$25,000. The American system of regulating a bank's capital by the population Mr. Stewart justly regards as responsible for the creation of hundreds of weak and badly managed banks all over the United States. After a country store-keeper has saved \$20,000 or \$30,000 he is ambitious of being president of a bank, so he starts one with his capital and gives his family or friends enough stock to qualify as directors. By the American system a man who has done nothing all his business life, but run a small country store, becomes a self-elected bank president, with all the legal powers and functions of a great New York or Chicago institution, and his bank has no more capital than \$25,000. He takes deposits, does a general banking business, sails gayly along until some customer fails, or his safe is robbed, or a clerk clears off with the available cash. Collapse follows, to the distress

of the founder of this mushroom institution and the sorrow of the community which trusted him. The mischief is, that, when one of these picayune American banks fails the event is proclaimed all over Canada as, "Another Bank Failure," and the public confidence in banks is liable to be weakened by an incident which is of no significance whatever, except as another illustration of the wretched system of bank organization which prevails in the United States.

Even in the largest banks in the States the number of shareholders is comparatively small. The leading banks in American financial centres, in Mr. Stewart's opinion, are very ably managed, as their officers are trained bankers who owe nothing to the National Banking system. "An indifferent system will not prevent good management neither will a perfect system save a bank from destruction through bad management."

The 33 banks in Canada are owned by 25,000 shareholders, who afford the public a total security of over \$169,000,000, by the provision of double liability, for each \$100 of subscribed capital involves a liability for a second \$100 in case of need.

"American banks in the smaller towns are so susceptible to local conditions that a trade depression in a comparatively small area often brings them into difficulties. In Canada we have such a diversity of crops, climate, industries and resources that no merely local depression, however severe, could seriously affect any of our banks. So much for the difference between Canadian banks and those in United States in point of capital and numerical strength."

THE BRANCH BANK SYSTEM.

Mr. Stewart went on to show how much safer and in all respects more advantageous was the branch bank system which gives the smaller communities the benefits of a strong bank with connections all over Canada, than the plan of merely local banks of a very fragile character, usually without the necessary banking resources for a progressive community. In Canada the poorest district shares in the use of the financial wealth of the richest. The branch bank system equalizes rates throughout the country, whereas in the States rates for money vary from 2 to 5 per cent. between the Eastern centres and the Pacific and Southern States. The branch bank system enables a higher class of banker to be placed in charge of small offices.

CIRCULATION. TWO CURRENCIES SYSTEMS COMPARED.

As to the absolute safety of Canadian bank notes there is no room for question. As stated by Mr. Stewart, "the banks have assets amounting to \$896,540,000 as security for \$76,889,440 of circulation."

The American notes are well secured, but the currency system so restricts their issue when an extra demand arises as to create embarrassment and disturbance in the money market, whereas the Canadian circulation rises and falls in response to the demand.

In the United States the harvesting of a large crop is almost invariably accompanied by high money rates at the financial centres from which the currency is shipped. The hundreds of small western and southern banks, which finance the grain and cotton crops, draw their balances from New York and Chicago, and instead of shipping promissory notes from which the money to redeem them will be forthcoming when the crops are harvested, the eastern banks send notes, that are the equivalent of gold as they have dollar for dollar in United States gold bonds, deposited against them.

To procure these extra notes for crop requirements their only recourse is to call in money already in circulation, with the result that the rate of interest advances to abnormal figures. There is no special inducement to United States banks to issue notes, in fact, they are restricted as compared with our system. A tax of $\frac{1}{2}$ per cent. is charged on circulation secured by the 2 per cent. Government bonds and 1 per cent. on circulation secured by other classes of Government bonds. The deposit of these bonds is a hindrance to the extension of the circulation, which the people of Canada would not tolerate for one moment.

CASH RESERVES.

An important point of difference between the Canadian and American systems is that of Cash Reserves.

In the United States the law requires a certain fixed cash reserve to be maintained against deposits. In New York and other "reserve centres" this is 25 per cent.

Under this system when the country has been in urgent need of currency for legitimate requirements while the reserve banks held several hundred millions of dollars, not a dollar of which was available for the needs of the country.

In Canada there is no cash reserve fixed by law, this being left to the prudence of bankers, which experience has shown to be the wiser policy.

INSPECTION OF BANKS.

The Canadian and American systems differ, but under our system a most efficient inspection is maintained.

Mr. Stewart's exhaustive and instructive address was highly appreciated, for which he was given an enthusiastic vote of thanks by the members of the Canadian Club.

THE ADVANCE IN BANK CIRCULATION.

EXHIBIT OF THE RISE IN THE NOTE ISSUES AT SEVERAL PERIODS SINCE 1881, 1891, 1900, 1903.

The table published in this issue shows how extensive has been the increase in the circulation of the chartered banks of bank since 1881. Since that year the amount of notes issued by our banks has been enlarged from \$33,145,290 to \$76,890,860, an advance of \$43,745,570, or about 130 per cent. Of this enlargement \$23,692,083 has taken place in the last five years.

The gradual increase in the ratio of the circulation to the paid-up capital is a very noticeable feature in the table. In 1881 the circulation at its maximum was 55.5 per cent. of the paid-up capital. In 1891 the proportion rose to 60.9 per cent., in 1900 to 80.3 per cent., in 1903 to 90.00 per cent. and this year to 91.7 per cent., which is not likely to be exceeded beyond a very small percentage.

It will be noticed that nearly all the banks this year had a circulation at the end of October of over 90 per cent. of the paid-up capital, not one in active operation showing less than 83 per cent. How greatly conditions have changed since 1881 to 1891 is seen by comparing the percentage of the circulation to paid-up capital of the several banks with those of this year. In 1881 there were only 6 banks with a circulation of over 90 per cent. of the paid-up capital, and 6 of them had less than 45 per cent.; in 1891 there were 10 over 90 per cent., 7 from 60 to 86, and not one below 45 per cent. It seems in regard to note issues, "The appetite grows with what it feeds upon." The more the needs of the mercantile community are supplied the more those conditions are developed which call for larger supplies of currency, and these conditions develop, as with them are improved the general financial circumstances of the community which lead to the holding of money in tills and purses.

In the 1881 list there are 44 banks, 3 of which made no returns. The average paid-up capital of the 41 was \$1,450,000, and average circulation \$808,100. In 1905, the number of banks is 33, whose average paid-up capital is \$2,540,000 and average circulation \$2,330,000. Such a large addition to the average of paid-up capital indicates striking changes in banking conditions in Canada since 1881. The business is now much more concentrated, the responsibilities of the head office are far heavier, and the supervision of the whole banking business of the Dominion is more favorable for its being kept well in hand.

The steady decrease of the margin for further note issues at the maximum period is a marked feature in the circulation returns. In the 5 periods shown in the Table, the drop in the margin was

PANK CIRCULATION.

TABLE SHOWING THE SEVERAL STAGES OF THE INCREASE IN THE NOTE ISSUES OF THE BANKS OF CANADA, 1881, 1891, 1900, 1903 AND 1905, WITH THE AMOUNTS OF THE CIRCULATION OF EACH BANK AT ITS MAXIMUM, AND THE PERCENTAGE THEREOF TO PAID-UP CAPITAL.

	Circulation 1881.	Per Cent. of Capital	Circulation 1891.	Per Cent. of Capital	Circulation 1900.	Per Cent. of Capital	Circulation 1903.	Per Cent. of Capital	Circulation 1905.	Per Cent. of Capital
Bank of Montreal.....	\$ 5,232,300	43.6	\$ 5,397,600	45.0	\$ 7,384,400	61.5	\$ 11,325,200	81.0	\$ 12,996,180	90.2
Canadian Bank of Commerce	3,812,769	63.5	2,955,700	49.2	5,405,860	90.0	8,127,000	93.4	9,163,130	92.3
Merchant's Bank.....	3,869,440	69.0	3,326,440	57.1	4,204,960	70.0	5,714,000	95.2	5,644,640	83.0
Bank of British N. America..	1,133,090	23.0	1,268,760	26.0	2,964,260	60.8	3,476,710	71.0	4,156,100	85.0
Molson's Bank.....	1,881,900	94.0	1,917,950	95.8	2,404,250	96.1	2,809,350	97.3	2,835,420	94.5
Bank of Toronto.....	1,463,970	73.1	1,847,260	92.3	1,850,360	92.	2,810,000	95.0	3,138,010	91.2
Dominion Bank.....	1,053,220	105.3	1,299,660	85.9	1,930,660	96.5	2,845,530	94.8	2,848,200	94.9
Imperial Bank.....	1,017,550	101.7	1,459,630	77.3	2,138,960	85.5	2,923,990	97.4	3,460,340	93.2
Bank of Ottawa.....	453,680	75.6	921,070	92.1	1,892,680	96.6	2,367,270	95.9	2,341,060	93.6
Quebec Bank.....	912,630	36.4	737,270	29.5	2,323,450	92.9	2,315,980	92.7	2,010,600	80.4
Union Bank.....	788,860	39.4	1,195,090	99.5	1,895,500	94.7	2,416,650	96.6	2,950,960	98.3
Bank of Hamilton.....	804,670	107.0	1,164,330	94.6	1,685,900	92.6	2,114,316	95.8	2,239,620	91.9
Eastern Townships.....	871,030	62.0	880,230	59.2	1,537,300	95.4	2,174,700	89.9	2,262,060	90.5
Ontario.....	960,480	32.0	1,099,750	73.3	1,093,090	90.0	1,438,370	95.9	1,421,620	94.7
Banque Nationale.....	881,520	64.0	819,780	68.3	1,184,470	90.0	1,481,490	98.7	1,486,380	99.0
*Royal Bank.....	641,750	71.0	1,093,880	99.4	1,934,410	96.7	2,411,860	82.9	2,969,780	96.9
Standard.....	709,890	96.0	861,520	86.1	931,640	93.1	921,840	92.1	956,440	95.6
Bank of Hochelaga.....	601,030	88.0	675,540	95.0	1,453,620	96.9	1,986,740	99.3	1,956,990	97.8
Bank of Nova Scotia.....	910,619	94.0	1,294,560	87.0	1,834,940	98.6	1,991,220	99.5	2,268,070	90.7
Bank of New Brunswick.....	565,620	56.5	475,480	91.	458,310	91.6	480,200	96.0	479,970	95.9
Union Bank of Halifax.....	149,360	30.0	316,910	63.3	748,740	96.7	1,294,230	98.0	1,225,850	91.9
Provincial Bank.....	.....	.....	.....	.....	712,420	90.0	805,380	97.8	822,930	99.9
Western Bank.....	.....	.....	347,240	97.5	400,220	99.9	390,790	89.9	515,440	93.9
Banque du Peuple.....	214,240	13.4	749,470	.....	.....	.....	.....	.....	.....	.....
Traders' Bank.....	.....	.....	569,290	94.1	1,108,650	97.6	1,927,630	96.0	2,652,930	88.4
Federal Bank.....	1,427,050	90.0	.....	.....	.....	.....	.....	.....	.....	.....
Sovereign Bank.....	.....	.....	.....	.....	.....	.....	1,237,650	95.1	1,550,790	96.3
Metropolitan.....	.....	.....	.....	.....	.....	.....	580,860	58.0	951,860	95.1
Crown Bank.....	.....	.....	.....	.....	.....	.....	.....	.....	513,910	72.0
†Smaller Banks.....	2,758,350	.....	4,538,350	.....	3,719,720	.....	3,111,660	.....	1,132,180	.....
Total Circulation.....	33,145,290	55.5	37,182,760	60.9	53,198,777	80.3	70,480,610	90.0	76,870,860	91.7
Total Capital Paid Up.....	59,706,010	.....	61,025,200	.....	66,264,960	.....	78,286,680	.....	83,864,820	.....
Margin for Increase in Cir- culation.....	26,560,720	44.5	23,842,440	39.1	13,066,183	19.7	7,806,070	10.0	6,973,960	8.3

* Formerly "Merchants of Halifax."

† The following banks open in 1881 have since been closed, or amalgamated: Federal Bank, Banque du Peuple, Ville Marie, Exchange Bank, Mechanics Bank, Consolidated Bank, Bank of Yarmouth, Exchange Bank of Yarmouth, People's Bank of Halifax, Picton Bank, Commercial Bank of Windsor, Maritime Bank, Bank of British Columbia. The 1891 list had Commercial Bank of Manitoba, and Summerisle Bank, P.E.I., which have disappeared.

from \$26,560,720 to \$23,842,440, then to \$13,066,183, then to \$7,806,070, and this year to \$6,073,900. The question naturally arises, How will this movement be met? There is a provision for the emergency in the harvest and crop moving season, but it would be desirable for the power of the banks to be so enlarged as to enable them to cope with any demand for currency that might arise without any extraneous help.

THE INCALCULABLE ELEMENT IN BUSINESS!

Mr. J. Buyers Black, of the Liverpool, London & Globe Insurance Company, read a paper on 1st ult., on "The Incalculable Element in Business" before the Insurance & Actuarial Society of Glasgow, of which he is president.

He referred to insurance as a business which, tried by every ethical standard, was legitimate and in no sense of a gambling nature. The lawful adventurer desired the maximum of certainty and minimum of uncertainty while the gambler desires essentially to stake on the uncertain.

He dealt with the uncertain elements in fire and life business, in which one of the incalculable elements was a man finding himself insured at all and only by good luck in a good office. The various influences that had resulted in a policy being secured were of the incalculable kind, so far were they the product of haphazard forces.

In regard to life's uncertainties he said:

"There is scarcely one of us who has not been able in some measure to follow the workings of destiny in life. We have all known men who met with a prosperity or disaster entirely out of relation to any of their actions; men upon whom good or bad luck seemed suddenly, at a turn of the road, to spring from the ground or descend from the stars, undeserved, unprovoked, but complete and inevitable. One, we will say, who scarcely has given a thought to some appointment for which he knows his rival to be better equipped, will see this rival vanish at the decisive moment; another, who has counted on the protection of a most influential friend, will see this friend die on the very day when his assistance could be of value. A third, who has neither talent nor beauty, will arrive each morning at the Palace of Fortune, Glory, or Love, at the brief instant when every door lies open; while another, a man of great merit, who long has pondered the legitimate step he is taking, presents himself at the hour when ill-luck shall have closed the gate for the next half-century. One man will risk his health twenty times in imbecile feats, and never experience the least ill-effects; another will deliberately venture it in an honourable cause, and lose it without hope of return. To help the first,

thousands of unknown people who have never seen him will be obscurely working; to hinder the second, thousands of unknown people labour who are ignorant of his existence. And all, on the one side as well as the other, are totally unaware of what they are doing; they obey the same minute widely distributed order; and at the prescribed moment the detached pieces of the mysterious machine join, dovetail, unite; and we have two complete and dissimilar destinies set into motion by Time."

To reduce the incalculable elements he advised the making of good friends; the avoidance of disputes; the working hard at a suitable vocation; the cultivation of a cheery optimism; the readiness to seize favourable opportunities; and to have self-confidence; contributing to the plus side of luck of all in our sphere of influence, as helping others contributed to our own good fortune.

THE AUSTRALASIA HEAD OFFICE OF THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO!

At Sydney, Australia, the Liverpool & London & Globe Insurance Company has just completed the erection of a new building for its head office in Australasia. The pictures given in "The Review," of Sydney and Melbourne, of this structure, show it to be imposing and ornamental. The elevations are in the Italian Renaissance style much architectural ingenuity being displayed in adopting the design to a corner lot so as to make the building a commanding object on two streets. Remembering the replacement in this city of the clock on the company's new building that had stood many years in front of the original one, it is interesting to read in our Sydney contemporary, "In the angle facing up Pitt street high up in the tower, has been placed the old clock, which existed in the previous building, and by day and night is no doubt of very great convenience to the public." The Liverpool & London & Globe evidently means "to give the time of day" to both colonies.

At the formal opening of the offices a gathering took place of the representatives of other insurance companies and other friends who were loud in their praise of the new building, both as to its exterior attractions and interior arrangements.

Mr. M. W. S. Clarke, after nearly fifty years' service, recently retired from the resident secretaryship for Australasia, who was succeeded by Mr. Charles Danvers, who is assisted by Mr. W. B. Clarke, sub-manager, who is a son of the retiring secretary.

We wish the company every success in its new Australian Head Office.

**GOVERNMENT SUPERVISION OF INSURANCE
IN CANADA.**

The following is a report prepared by Mr. W. Fitzgerald, Superintendent of Insurance, addressed to the Honourable W. S. Fielding, Minister of Finance, giving details of the features which are looked into by his department in connection with the Government supervision of insurance. The Report is inserted in full, and will, no doubt, be perused with interest. It deals "with the nature and object of the annual inspection of insurance companies, the methods adopted in making such inspections, and to some extent with the results produced" but no expression of opinion is given as to what if any amendments are necessary, or desirable in connection with the present Insurance Act.

**OFFICE OF THE SUPERINTENDENT OF
INSURANCE.**

Ottawa, Nov. 5, 1905.

Hon. W. S. Fielding, Minister of Finance,

Sir:—In compliance with the request contained in your letter dated 6th October, 1905, for a special report dealing with the manner in which the inspection of insurance companies by this Office is carried on, showing what are the features which are looked into and to what extent inspection is able to go, I have the honour to submit the following:—

MEMORANDUM.

The principal object aimed at in every inspection of a company is to verify the last sworn statement made by the company to this office, to ascertain if the items called for in the blank forms sent to the companies from this office under the authority of the Insurance Act, have been correctly entered therein, to see that they are in accordance with the books and records of the company, that the value of the assets is not overstated, that the companies' liabilities are not underestimated and that the income and expenditure are accurately set forth and where any such statement is found to be inaccurate in any particular, to correct the same and present the statement as corrected to the Minister to be laid before Parliament pursuant to clause 15 of section 25 of the Insurance Act.

Errors met with in statements made by the companies may be divided into:

- (a) Those arising from the officer compiling the same, placing upon an item an interpretation at variance with the intention of the statement form;
- (b) Those where such officer understands the information desired but fails to work out the correct results;
- (c) Cases where the opinions of the company's officers are at variance with those of the department.

An example of this latter class may be mentioned, the case of losses outstanding at the date of the statement being omitted, the company's officers taking the view that because they have been reported to the company at the date of the closing of their books for the year they need not be reported to the Government. All of these classes of errors we endeavour to correct.

Cases are rare where wilful misrepresentations have been made in the returns for the purpose of

concealing the true standing and condition of a company.

An instance, however, is mentioned on page 18.

All the accounts in the General Ledger are examined and also, where found necessary, the Journal Cash Book and other records of the company.

The total cash receipts of the company are ascertained and the disposal of that cash accounted for in the expenditure for losses and other returns to policy-holders, to dividends to stock holders, or for the general expenses of the company. In this way is found the exact amount of cash which the company has available each year for investment. The investment ledgers are then examined and the amount invested in every separate item of asset is determined. In this connection the changes in previous investments are examined and noted, such as the repayment and reinvestment of moneys invested in the current or in any previous year.

In this way the moneys which have become available for investment are never lost sight of, but are traceable from year to year, in the Ledger Assets of the company.

Before, therefore, the various securities and evidences of investment are examined and counted, we know exactly how much a company has expended on the Capital Account of its real estate, just how much it has loaned on the security of real estate or of stocks and bonds, how much it has expended in stocks, bonds and debentures, both in these items as a whole and also in each separate block of the securities forming any one item. We also know the exact amount which has been loaned to policy-holders upon the security of their policies.

The method adopted in verifying the statement of a company's assets may be conveniently dealt with under headings descriptive of the classes of securities mentioned therein.

These are therefore taken in the order in which they are entered in the statement.

REAL ESTATE OWNED BY THE COMPANY.

A company's real estate usually consists of two kinds, viz.:—

- (1) Real estate purchased by the company for office buildings for the company's use, and
- (2) Real estate acquired by the foreclosure of mortgages.

As to the former it may be said that it is usually, but not always, inserted in the return at the cost price to the company, and in such cases the return is verified by reference to the real estate ledger. On a few occasions in the past where the amounts at which buildings were held seemed to render it desirable, we procured valuations thereof. Such valuations in some instances bore out the values contained in the return and where the contrary was the case, copies of the valuations were sent to the companies concerned with an intimation that in the judgment of the Department, the values should be written down, which intimation was some times heeded but not invariably.

I do not think that under the Statute the Department could without a company's consent write off a portion of the cost price as sworn to by the company.

There have been instances where office buildings have been written up by the company, that is to say, a higher value has been placed upon them in the statement made to the Department than the cost price.

In every such case we have had the buildings written up valued and have substituted in the company's statement as published the appraised amount where such amount was less than the amount claimed as the value, in other words, the Department has written the values down to the appraised values.

(3) As to real estate acquire by foreclosure it may be stated that generally such real estate is carried in the company's books at the amount due for principal, interest and costs up to the time of final foreclosure and transferred from the mortgage account to the real estate account, which amount is verified by comparing the same with mortgage account from which it is transferred.

The value placed upon each parcel of such real estate is also checked from year to year with the real estate ledger and the income and the expenditure in respect of each ascertained. There have been cases within the knowledge of the Department where very considerable gains have been realized upon the sale of foreclosed property and there are on the other hand cases where losses have been incurred. Upon the whole the gains and losses would probably, in the case of each company, very nearly counterbalance each other.

MORTGAGES.

With each annual return a schedule is sent to the department setting forth the date of each mortgage, a short description of the property covered thereby, the appraised value of the land and of the buildings thereon in separate columns and the amount of insurance on the buildings, the amount of principal money advanced upon the mortgage, the rate of interest, the amount, if any overdue for interest, and the amount of accrued interest up to the date of the statement.

Every mortgage is examined and the amount of principal secured thereby and the rate of interest as set forth in the schedule verified. The Solicitor's certificate as to title and the valuator's appraisal of the land and buildings and the policies of insurance on the buildings are also examined and the figures contained in the schedule verified therefrom. The amount of principal is also checked by the Ledger account of the mortgage and also the overdue interest where the schedule shows any to exist. The summation of the principal, overdue interest and accrued interest columns of the schedule are verified as carried into the company's return. Where the schedule shows overdue interest the ledger is examined to ascertain whether such overdue interest has been paid prior to the time of inspection and if paid a note to that effect is made in the overdue interest column.

If the interest overdue is not then paid, the company's attention is directed to the fact with a request that an effort be made to realize it and in case of failure that the amount so overdue be written off the assets, unless it clearly and satisfactorily appears that the value of the mortgaged property is ample to secure the principal and interest overdue and accrued thereon.

It has been the practice to examine the mortgages, certificate of title and valuation only once, but the balance of principal and amount of overdue interest (if any) is checked every year during the currency of the mortgage with the mortgage ledger. From time to time also all the policies of fire insurance relating to the buildings on the mortgaged properties held by companies are examined. This is not done in the case of one or more companies each year.

A few irregularities are generally found where such examinations are made, but on the whole it has appeared in the past the fire insurance is well looked after and I know of no case in which a loss has occurred through want of proper fire insurance protection.

BONDS, STOCKS AND DEBENTURES OWNED BY COMPANY.

The schedule of bonds, stocks and debentures of each company which accompanies and forms a part of the annual return, is verified. For this purpose all such bonds and debentures are counted and stock certificates examined at the Head Office of the company, and where securities have been sold or paid off between the date of the statement and the time of inspection, such sale or payment is verified by reference to the company's ledger and cash book.

BONDS, STOCKS, ETC., UPON WHICH LOANS HAVE BEEN MADE.

In like manner all bonds, stock certificates and debentures forming the security for loans outstanding at the rate of the statement and still outstanding at the time of the inspection, are counted and examined and the amount loaned thereon verified by reference to the company's books (care being taken to see that the securities are sufficient in value to secure the advance made), and where loans in existence when the statement was made have been paid off before the inspection, such payment is verified by reference to the loan ledger and cash book.

LOANS ON POLICIES.

This item occurs only in the case of life companies.

In examining and checking this item in a company's statement, it is usual to ask for a list of the policy loans and to select several therefrom at random and in the cases selected to examine the documents evidencing the loan and the policy which accompanies it, and to ascertain whether the loan with interest thereon at the date of the statement was less or greater than the reserve on the policy. If less, the loan would be good, but if greater, it could be considered as an asset of the company only for an amount equal at the most to the reserve. Frequently a page of the list of policy loans is taken and every loan or such page examined. In practice we have found loans to be well within the reserve on the policies loaned on—and it may be stated as a general rule that there is no better item in a life company's assets than the amount of its policy loans.

There would be no difficulty whatever in examining the whole of a company's loans on policies and if any cause for suspicion existed as to the genuineness of the same, or any of them, or as to their being good in the sense above mentioned, the whole list would be examined.

AGENTS' BALANCES.

When inspecting a company's assets, it has been the practice to call for a list of the balances due by the company's several agents, the aggregate of which constitutes the item "Agents' Balances" in the return, and to examine the same with a view to ascertaining whether they are good or come under

the description of "bad or doubtful." We have usually found at the time of inspection that a very considerable portion of the balances due at the beginning of the calendar year have been paid, in many cases almost all. We have in this way been able to judge pretty accurately what portion of such balances may be regarded as good and what portion bad or doubtful. If any are clearly bad, they are written off and deducted, but if only doubtful, the attention of the company is called thereto with a request that if not sooner collected they be written off at the end of the then current year, which request is as a rule acceded to.

CASH IN BANKS.

The items of cash in banks are checked by examining the bank pass-book and reconciling the ledger balance with the balance shown by the pass-book, taking into account the list of outstanding cheques. Where the banks are situated in other cities or countries, certificates of the balances signed by the bank officials are examined.

The closing items in these bank statements as well as the closing items in other accounts of the company, are closely scrutinized in order to ascertain, among other things, if there has been any misplacement or transfers in items of assets. By such scrutiny irregularities in this and other respects are discovered and remedied. The occurrence of any such irregularities we believe has been reduced to a minimum. Instances have occurred of such misplacement of items.

OUTSTANDING AND DEFERRED PREMIUMS AND ACCRUED INTEREST.

It is a tedious matter to check the accuracy of the items of outstanding and deferred premiums, and of accrued interest. These are items which have not passed through the cash income, and from thence into the ledger items of assets. The examiner therefore cannot apply the usual test of accuracy which he has at his disposal in the case of the ledger items of assets. He is able, however, to make an estimate sufficiently close to satisfy him that no error of any magnitude or consequence has been made.

To check the various details in these items and also to examine the sufficiency of the security in the case of all the policy loans would require the whole time of several additional examiners, but I do not think, under ordinary circumstances, such examination necessary.

The foregoing observations as to inspection of assets relate principally to Canadian companies.

DEPOSITS BY COMPANIES OTHER THAN CANADIAN.

In the case of companies other than Canadian the Statute requires that there be made with the Receiver General or with Canadian trustees appointed under and for the purpose of the Insurance Act, deposits of securities at least equal in value to the liabilities to policy-holders in Canada including matured claims and the full reserve or reinsurance value for outstanding policies. Accordingly, from time to time demands are made on all such companies for increased deposits and the amounts so deposited by such companies now amount in the aggregate to \$54,195,265, Nov. 8th, 1905, the deposits in several instances being in excess of the requirements of the Statute, and in no case less than such requirements.

It follows from the foregoing that the principal assets, in fact almost the total assets in Canada of

such companies, are in the hands of the Receiver General at Ottawa, or with Canadian trustees, and where trustees have been appointed, as has been done by eight companies, the assets vested in them, consisting of mortgages, bonds, stocks and debentures are examined from year to year in the same way as the assets of Canadian companies.

LIABILITIES.

Particular care is taken to see that the liabilities are not understated.

The principal items of liability are in the case of life companies:

(a) Claims for death losses and matured endowments, and annuity claims due and unpaid, or in process of adjustment or adjusted but not due or resisted, and

(b) Reserve liability in respect of outstanding policies in force, and in the case of companies other than life companies:

(c) Amount of unsettled losses reported to the company, dividing them into the several classes of adjusted but not due, in process of adjustment, etc.,

(d) Reserve of unearned premiums.

OUTSTANDING LOSSES AND CLAIMS.

The loss or claim books and where necessary also the claim papers and notices of claims are carefully examined to ascertain if the outstanding liabilities under headings (a) and (c) have been accurately estimated and where errors or omissions are found they are corrected.

UNEARNED PREMIUMS IN COMPANIES OTHER THAN LIFE COMPANIES.

In order to obtain the exact amount of such unearned premiums, a separate calculation would be required to find the amount unearned of each individual premium *pro rata* for the time unexpired.

By a proper method of grouping, however, in accordance with the length of time which the various policies have to run, it has been found possible to ascertain a very close approximation to the correct amount without the laborious calculation necessary if each policy were taken separately.

RESERVE LIABILITY IN THE CASE OF LIFE COMPANIES.

Section 25-10 (a) of the Insurance Act provides that "once in every five years, or oftener, at the direction of the Minister, the Superintendent shall himself value or procure to be valued under his supervision all the policies of life insurance of Canadian companies and the Canadian policies of life insurance of companies, other than Canadian companies licensed under this Act to transact the business of life insurance in Canada."

This section also defines the basis of such valuation, that is, the Mortality Tables and the rate of interest to be employed.

It was the intention of Prof. Cherriman, the first superintendent, that the quinquennial valuation of the policies should take place upon the same date, and the first quinquennial valuation was made as at 31st December, 1879, and the results published in the report of 1880, issued in the summer of 1881. The second of such quinquennial valuations was undertaken as at 31st December, 1884, and the results published in the reports issued in 1885, and subsequent years. The work was then found to be too great to be carried through in any one year, so

the companies were divided into groups, and the dates of valuation distributed over the five years and the work was arranged so that the policies of any one company should be valued at least once in five years.

In the interval between the quinquennial examinations the actuaries of the Department are able to estimate very closely, by well understood methods, the reserves either according to the Government standard, or according to the standards employed by the various companies.

For this purpose they use the items in the annual statements giving the nature and volume of the business written and terminated, the receipts and disbursements of the company, and the state of the reserve as determined at the end of the previous year.

Other than to check the general accuracy of the items of reserve in the various statements, the estimate thus determined is used only in a few cases to supply the reserve item omitted from the annual statement. The items thus supplied are indicated by a foot note in the published Blue Book as "Estimated by the Department."

Most of our Canadian life companies have well established and efficient actuarial departments presided over by skilled and competent actuaries and have also on the staff of these departments students of actuarial science who have passed one or more of the examinations either of the British Institute of Actuaries or of the Actuarial Society of America.

An exact valuation of the policies is made each year by the company's actuaries. In 14 out of the 21 Canadian companies, the standard of valuation adopted is higher than the Government standards.

Three of the remaining seven are new companies to which the higher standard which came in force 1st January, 1900, applies.

Thus in the case of the larger number of these companies involving over 90 per cent. of the reserves the liability returned is greater than the companies are required to shew under the provisions of the Insurance Act. In no case is a lower reserve returned than that produced by the Government standard.

Since the 31st December, 1904, a valuation has been made in the department of the policies of four of these Canadian companies with the following results:—

Companies' Valuation.....	\$34,013,830
Department's ".....	31,386,964
Excess by Standards used by the Companies	\$ 2,626,866

Several other Companies have made their valuation both upon their own and also upon the Government Standards bringing out an excess over Government Standards of.....	865,145
In the other Companies the estimated excess is	200,000
	<hr/>
	\$ 3,692,011

This will reduce the net reinsurance reserve of all the Canadian life companies as at 31st December, 1904, from \$80,684,760 according to the companies' standards of valuation to about \$77,000,000 according to the Government standard, and increase the surplus to policy-holders over all liabilities and paid-up capital from \$5,352,037 to \$9,044,048.

The other items of liability in the case of all companies are usually comparatively trifling in amount and no special reference thereto seems necessary.

RESULTS.

There are at present 110 companies licensed under the Insurance Act for the transaction of business in Canada. Twelve varieties of insurance are carried on by them, viz.: Life Insurance, Life Insurance on the Assessment Plan, Fire, Inland Marine, Inland Transit, Guarantee, Contract, Accident, including Employers' Liability, Sickness, Steam Boiler, Plate Glass and Burglary Guarantee.

Of these companies 51 are Canadian, 30 British and 29 American.

There are also 8 life companies (4 British and 4 American) which ceased to transact new business in Canada before the Life Insurance Act came into force, but which are entitled under Section 32 of the Insurance Act to carry on all business connected with policies existing at 31st March, 1878. These companies as well as the licensed companies, make annual returns to this department.

Upon looking through the statements of the business of 1903, examined by the Department, it is found that corrections were made in over 600 items (608) and this would probably be about the average number of changes from year to year. The earlier years would probably shew a larger number of errors, for the reason that the examiners have endeavoured to instruct those engaged in the preparation of Government returns as to the proper and most expeditious methods of compilation. The result of this instruction has been a greater uniformity in the statements of companies doing similar kinds of business and a greater degree of accuracy attained through a smaller expenditure of labour than prevailed in the earlier days of the Department.

New companies, however, are from time to time (and now quite frequently) receiving licenses, and the first statements received from these companies are usually very crudely prepared. In the older companies changes of the officials who compile the statements is another source of incorrect returns. It is proper to mention that the corrections made have been invariably acquiesced in by the companies.

Mention may be made of one instance referred to on page 2, of a false return made to the Department, as the company referred to is out of existence and the officials concerned have disappeared from the field of Canadian insurance. The Canadian manager of a British fire company, by a misrepresentation of the nature of the business written in Canada, made a return which understated the reserve of unearned premium liability. Upon an examination of the company the discrepancy was discovered, and the company was called upon to make an additional deposit. The British manager of the company was not satisfied, however, that the amount of the reserve as calculated by the Department was correct, and he employed a large staff of clerks for several weeks to calculate the exact unearned portion of the premium on each risk in force in Canada. The result was that the Department's finding of the reserve was confirmed in every particular. The company shortly afterwards went into liquidation. The deposit with the Receiver General was sufficient to pay all Canadian claimants in full and to reinsure all Canadian risks with another licensed company.

In two or three instances companies invested a portion of their funds in securities not authorized by the Statute in that behalf. To this the Depart-

ment of course took exception. The objectionable securities were thereupon disposed of, and other securities substituted to the satisfaction of the Department.

In view of the large number of companies (110) to be visited in a limited space of time, and the large number of items to be checked, it is not contended that every error has been corrected nor every irregularity found out. This would be an impossibility even if a much larger staff than our own was employed in making the examinations. We do contend, however, that no error or irregularity of any magnitude or consequence has been overlooked and certainly none that has in any way affected the solvency of any company coming under the supervision of this Department.

The foregoing deals with the nature and object of the annual inspection of insurance companies by this office, the methods adopted in making such inspection and to some extent with the results produced. The question of policy as to what amendments are necessary or desirable in the Insurance Act was not under consideration and no expression of opinion upon that subject is, therefore, offered.

Respectfully submitted,

W. FITZGERALD,

Superintendent of Insurance.

QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1502.—A. J. W., Oshawa.—None of the wireless telegraph stocks can be looked upon as investments and are so far of purely speculative value. The amount paid up of the authorized capital in the company you mention is not obtainable and its officers refuse to give any information on the subject.

1503.—H. B. D., Fredericton, N.B.—Toledo Railways & Light Company cannot at present be considered an investment. It has, however, good possibilities as a speculation. It paid 2 p.c. dividend last year, 1 p.c. in May and 1 p.c. this month. For a patient holder it may prove an attractive speculation.

1504.—D. H. S., Montreal.—The speculation in industries in the New York market is now very dangerous. Several of the securities which have had the largest rise are now selling at prices discounting values far in the future. Conservative buyers are not interested in the market movement at the present.

PROMINENT TOPICS.

THE SECOND SIEGE OF SEBASTOPOL.—The second strongest fortress in Russia, Sebastopol, has been in imminent danger of being captured by mutineers of the fleet aided by rebellious troops. It is just fifty years ago since this city and its forts were captured by British and French besiegers. That catastrophe was less disastrous to Russia than would be the capture of this stronghold by mutinous and rebellious sailors and soldiers placed in the arsenal for its defence.

BETWEEN RUSSIA AND ANARCHY there stands the army, and if the soldiers rebel we fear the revolutionary forces will create most deplorable conditions. Probably the leaders of the revolutionary movement in Poland have excited the populace by recalling the crushing blow dealt to Polish autonomy and liberty on 29th November, 1830, a day on which, ever since, every Pole throughout the world has vowed vengeance on Russia. On such national memorial days there has, at various times, passed over the Poles and their sympathizers, a wave of almost delirious passion, the outbursts of which have led to sanguinary scenes in Warsaw and other Polish cities.

FINANCIAL RELIEF TO THE PEASANTS PROMISED.

—One of the wisest, most hopeful actions of the Czar is, the relief promised to the peasants from the oppressive payments they have to meet in connection with the land redemption scheme. What with these and the taxes, the Russian peasant has been nearly bled to death. Saving has been impossible, spending anything on improvements equally so; his whole energies and those of his family have been exhausted in efforts to find enough coarse food to sustain life, decent house comforts and clothing being never obtained. From such conditions young men go to cities, to the army, the navy to all manner of occupations and they carry with them the peasant's bitter feelings and longings for freedom. To talk of the workmen and the peasants knowing nothing of each other is absurd; the country feeds the cities with men as well as food, and with men ripe for revolt, whose rebellious spirit was inspired by memories of the cruel oppression suffered by their parents in rural districts. Satisfy the peasants and Russia would quieten down—but not until then.

THE LONGSHOREMEN'S STRIKE AT ST. JOHN IS OVER.—The labourers who work in loading and unloading ships have had a struggle at St. John, for more wages, in which they failed. The merits of this dispute are not known to us, but it needs no expert to see how ill-judged is a strike for more wages at this season of the year, when the days are all too short for earning the needful for winter's requirements.

FOOTBALL FATALITIES.—A detailed list has been published of over a dozen deaths, caused this year by injuries received when playing football, and of several very serious accidents that will weaken the victims for life. A "game," when properly played, can have no such results; there must be some element of violence introduced which the umpires ought to stop promptly and punish severely. Any movement by a player which does serious injury to another is not a display of skill, but of sheer brutality. Football will have to be forbidden unless these revolving so-called "accidents" cease. Football as played to-day is simply, a display of unbridled brutality. There is no football in it.

THE SUN INSURANCE OFFICE is likely to absorb the Patriotic Assurance Company in the near future. The Patriotic was founded in 1824; its head office is in Dublin. Its paid-up capital is \$7,500,000, on which it has been paying 4 per cent. dividends. The amount paid per share is £2 5s od, and the price reported to be the basis of the transfer to the Sun is £3 12s od. This figure seems so high as to be doubtful.

CONGRESS OF FISH AND GAME.—The Quebec Minister of Colonization, mines and fisheries has called a meeting of those interested in angling and hunting in this province, at the Windsor Hotel, this city, on 13th and 14th inst., the object being to confer on certain reforms needed "to better assure the protection of our fur, fin and feather fauna." Suggestions are invited in this connection to be addressed to The Minister of Colonization, Quebec.

NEW DIRECTOR FOR NORTH AMERICAN LIFE.—The directors of the North American Life Assurance Company have elected Mr. W. R. George, a director, to fill the vacancy caused by the death of Dr. Larratt W. Smith. Mr. George is an ex-president of the Canadian Manufacturers' Association. He is a young man of great force of character, who has been very successful in business and won a high reputation for enterprise and vigour. Of the 11 directors of the North American Life five are policyholders, which gives those insured in the company a representation upon the Board to a greater per cent. than is usual with companies not purely mutual.

THE ROYAL BANK OF CANADA announces a dividend of 2¼ per cent. for quarter ending 31st December, payable on 1st January, 1906.

THE DOMINION PERMANENT LOAN COMPANY, TORONTO, has bought the assets and taken over the business of the York County Loan & Savings Company.

The Dominion Permanent has a paid-up capital of \$1,040,157 and mortgages for \$2,868,940. The York County had mortgages for \$730,796. The business was too small to pay for an office staff, and the above change has been long anticipated.

THE MOLSONS BANK announces the payment of a quarterly dividend of 2½ per cent. payable 1st January, 1906. This will be the first quarterly dividend paid by the Molsons Bank, the other banks which pay quarterly dividends being the Dominion Bank the Sovereign Bank and the Royal.

THE TORONTO PLUMBERS.—As the suit against the Toronto Plumbers' Association is still before the Court, comments thereon need to be quite non-committal. We may say, however, that evidence is accumulating to prove that a combine did exist between working plumbers and supply houses for the purpose of fixing prices, restraining free contracts, and preventing any plumber obtaining goods needed in his trade unless he joined the association. About 150 master plumbers and firms who supply them are under summons to appear before the Court. The outcome is awaited with the greatest interest in Toronto. The grocery trade is about having a similar experience as evidence is on hand that a combine of the same kind exists between wholesale and retail grocers.

THE JAPANESE LOAN is reported to have been over-subscribed to a large extent. The total amount of it is £50,000,000, of which one-half was offered for subscription, with interest 4 per cent., due January 1, 1931. The loan is divided into series of £1,000,000 each, with option to the Japanese Government to redeem all or any series on or at any time after January 1, 1921, upon giving 6 months previous notice. The interest is payable each January 1, and July 1.

Of the amount of £25,000,000 offered for subscription £6,500,000 was allotted to London, £3,250,000 to the United States, £12,000,000 to Paris, and £3,250,000 to Germany. The balance of £25,000,000 is reserved for the purpose of converting or redeeming at a later date bonds of the Japanese Government, 6 per cent. sterling loans issued in 1904. The Government claims the right to apply the proceeds in such manner as they may determine to the redemption of Internal Loans.

AMERICAN SURETY COMPANY.—Messrs. Stewart & Mussen have been appointed agents at Montreal for this company, by Mr. W. H. Hall, of Toronto, general agent for Canada. The capital stock of this company is \$2,500,000; its total assets are over \$6,000,000, and it has a surplus of \$1,000,000 over capital stock and all liabilities, including undivided profits of \$1,348,000. This young firm has an excellent company to transact business with, and we wish them success.

QUEBEC TAX ON SECURITIES.—It is to be hoped that the Provincial Government will either abrogate, or cancel this injurious tax. We have over and over again reiterated that it is liable to very seriously hamper and retard the financial standing of Montreal. It discriminates against this city in favour of other large financial centres where no such tax is imposed. If the object of the Government is to specially tax the brokers, let it do so by a direct tax, but it is an unwise policy for a Government to intervene in any way between a buyer and a seller, or to impose obligations which will tend to restrict financial transactions. The harmful effect which this tax is bound to exercise in connection with all securities dealt with in this province and this city cannot be too earnestly impressed upon the provincial authorities.

THE CANADIAN BANK OF COMMERCE, has opened branches at Kinistino and Yellowgrass, Sask., and Vermilion, Alta. These make the number of

branches of this bank in Canada 126, with 4 others elsewhere.

EXEMPTION OF CHURCH PROPERTY.—At a meeting of the Legislative Committee of the City Council, Mr. Robb, city treasurer, suggested the following change in the exemption law:

"Every building, or portion of building used for religious worship, together with the lands as at present held and occupied by the religious corporations in the city and including the fabriques, bishop's palaces, rectories or parsonages erected on said lands, provided that, in future, no ground will be exempted from taxation for such purpose in excess of double the area actually occupied by such building or portion of building as aforesaid.

"Every rectory, manse, parsonage occupied by the officiating minister of any church in the city, although outside the grounds of the church proper, be exempted and amount of such exemption shall not exceed \$15,000 of assessed value of same in assessment role."

OBJECT OF MR. ROBB'S SUGGESTIONS.—In presenting his amendment Mr. Robb said what he wanted was to establish a definite limit and the principle of such limitation, so as to prevent any future speculative action by church builders. By resolution the exemption figure was raised from \$15,000 to \$20,000.

THE WALTER KAVANAGH AGENCIES.—Owing to the lamented demise of Mr. Walter Kavanagh, referred to last week, the agencies in this city of the Scottish Union & National, German-American, and Rochester-German, became vacant. It is understood these have not been filled, but, as one manager put it, "There are applicants galore." A re-arrangement of the companies may take place. We shall probably be in a position to state who are the fortunate applicants in our next issue.

MR. H. F. ATWOOD, secretary of the Rochester-German, has been in the city some days looking after the interests of his company.

MUTUAL LIFE INSURANCE COMPANY, NEW YORK.—Mr. Richard McCurdy, president of this company, has resigned, and is succeeded, temporarily, by Mr. Frederick Cromwell, treasurer of the company. It is rumoured that the presidency will be offered to Mr. James H. Eckels, comptroller of the currency under the Cleveland administration and who is now president of the Commercial National Bank of Chicago. In tendering his resignation Mr. McCurdy, said, that it was his intention to relinquish the presidency of the Mutual Life on attaining 70 years of age, which he would have carried into effect in January last, had it not been for the serious disturbances which had arisen in insurance affairs. He also states his physicians advise him to retire from active business, or his health would be seriously impaired and his life be jeopardized.

Under the circumstances there was no other course open to the Board, but to accept Curdy's resignation, and Mr. Cromwell was elected to fill the presidency *pro tem*.

FINANCE COMPANIES.—Any number of finance concerns are in the field for business at present, of which some are good and reliable and others doubtful and indifferent.

CIVIC CHANGES.—We observe that Mr. Bienvenu has retired from the office of head clerk of the Recorder's Court of this city and been appointed Superintendent of Licenses and Revenue Inspector, thus bringing this gentleman under the jurisdiction of the Finance Committee. Mr. Bienvenu is a valuable, painstaking official, who will discharge his new duties so as to serve the best interests of the city.

DO NOT LET YOUR POLICY LAPSE.—This advice given by Senator Armstrong, chairman of the investigation Committee, New York, is most timely and wise, for there has been nothing revealed, so far, which warrants any policy-holder in allowing his insurance to lapse.

All the companies under fire are not only amply able to meet every possible obligation, but they each have also a large surplus.

These are days when people should secure life assurance. The life companies are all right, notwithstanding some of the practices adopted in connection with the management being open to severe criticism and suggesting the necessity of reforms.

MUNICIPAL OWNERSHIP AND MUNICIPAL CREDIT.—The municipal ownership cry in New York has impaired the credit of that city in connection with new transportation facilities.

Notes and Items.

AT HOME AND ABROAD.

OTTAWA CLEARING HOUSE.—Total for week ending Nov. 23, 1905—Clearings, \$2,704,415; corresponding week last year, \$2,814,437.

THE ROYAL INSURANCE COMPANY is about to erect an office building in New York worthy of its eminent rank. The structure will be 16 stories high, and total cost of land and building \$1,250,000.

SAVINGS BANK DEPOSITS in the United Kingdom in a recent statement are given as \$261,000,000, there being 1,702,791 accounts open. As compared with Canada this is a very small sum, it is indeed less than is held by savings banks in this country.

NOTE ON RE-INSURANCE.—There is no reason why fire insurance could not be done better and more efficiently in a wholesale than in a petty retail manner, and in doing so there would necessarily be a lessened expense. If the insured's requirements for instance are \$250,000, and he is satisfied to accept the contracts issued by the Aetna, the L. & L. G., the Germania, the Royal, the German American, the Ins. Co of N. A. and a hundred or more equally time-tried and solvent companies, and they in turn are willing to accept the hazard, but do not care to carry the entire risk themselves, yet have reinsurance contracts that will enable them to reduce their own liability is not the insured better off than he would be if he had to rely

upon some conscientiousless broker who by reason of an extra large commission would foist upon him all kinds of "cats and dogs." Inasmuch as the chief insurer is the responsible party would he not be extremely careful to see that the reinsurance contracts are with companies competent to meet with their pro rata liability.—"Insurance World."

STABILITY OF LIFE ASSURANCE.—No better evidence of the stability of life insurance has been produced than the result of the examination of the Equitable Life. This corporation has been through an ordeal during the past six months which, as has well been said, would have staggered, if not wrecked, the Bank of England, and yet after a most rigid valuation of its assets by the examiners of the New York insurance Department and after deducting all possible liabilities, there still remains as of June 30 a handsome surplus of over \$62,000,000 on the basis of admitted assets. The examiners threw out some \$5,000,000 from the real estate valuations, so as to bring them all on a three per cent. basis, but this, of course, is a mere technicality and in no way affects the company's financial standing. The reduction in admitted assets which the examiners have made is purely a matter of bookkeeping, and the Equitable stands to-day stronger than ever. And what is true of this company will undoubtedly prove to be so of the others now under fire. Nothing has as yet been brought out by the "inquisition" which at all affects the solvency of any of them, nor is there likely to be, and when the atmosphere has been clarified it will be found that not a foundation stone in these great life insurance structures has been weakened nor the superstructure in the least injured.—"The Indicator."

ACCIDENT POLICIES THROWN IN.—Reference has frequently been made in these notes to the straits to which some of S. American Life companies are reduced in their efforts to find new business and the "attractions" which they offer to tempt the seeker after special advantages. The latest "specialty" is the throwing-in of an accident policy for \$1,000 for every \$50 of annual premium paid. To the managers of industrial concerns whose employees are insured against accidents, an accident policy of \$5,000 more for every \$500 of annual premium, is issued. In all cases the only charge is the \$2.50 for stamps on the policy. One would have thought that the more likely way to have secured new business was to reduce the premiums. If the life premiums charged by "La Aseguradora del Plata" are sufficiently high to cover an accident risk, then every policy-holder who may not require accident insurance should be entitled to a rebate on his premium! Talking of rebates brings up the question of rebates of commission which many agents are offering to induce business. There is nothing more damaging to an agent's reputation than the miserable resource of offering part of his commission to a possible insurer and yet this pernicious system is on the increase in Argentina, according to current talk. The companies who have made this possible by the high rates of commission they pay are really to blame for its existence. If the Argentine inquiry commission goes deeply into these things there will be "incidents" disclosed that will not exactly coincide with that purity of procedure which El Diario claimed for National companies when furiously attacking the Yankee companies, and calling upon the Government to practically suppress their business here. Fortunately the people advising the Government know more of the inner working of life insurance concerns in this country than the party who inspired the article in our contemporary would imagine.—"Review of the River Plate."

PERSONALS.

MR. H. H. BECK, who has recently been appointed manager of the Anglo-American Insurance Company, spent a few days in Montreal this week.

MR. F. H. RUSSELL, manager for Canada, Railway Passengers Assurance Co., was in the city this week, visiting the Montreal agency.

MR. ROBERT ARKELL, some years manager of the Merchants Bank of Canada at St. Jerome, has been appointed manager of the St. Catherine St. branch in this city.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK INSURANCE LETTER.

New York, Nov. 28, 1905.

The tendency towards change and consolidation in fire insurance is constantly shown by the endeavors, many of them successful, on the part of outsiders to obtain control of the stock of some of the old and well-known companies. There, for example, was the American Fire Insurance Company, of Philadelphia, organized nearly 100 years ago, and in its time an important factor in fire underwriting in this country. Now the stock has been bought by aliens and strange hands will soon be dictating its policy and managing its affairs. The same thing is observed in England where similar changes have recently taken place. The speculative spirit, so far as fire insurance stocks are concerned, is rife in this town, and it may be expected that other old companies will soon be the objects of attack.

The proposed investigation of the different departments of the New York Fire Insurance Exchange does not necessarily mean that anything wrong is known or suspected, but department managers are liable to get into ruts, and, if a judicial and impartial investigation could be instituted, it would likely result in an improvement of the methods used. It seems difficult, however, to get this investigation started, for what reasons may appear later on.

The life insurance investigation still drags on, and the *ex parte* and unjust methods of handling the witnesses still continue. Every witness is approached as though it were necessary for him to conceal or evade something, and in no case is the counsel of a witness allowed to cross-examine or ask a question except through suggestion to the inquisitor of the committee. The sensation of the recent period was the charge made by ex-Vice-President James H. Hyde, that ex-Governor Odell, then Governor, had threatened to repeal the charter of the Mercantile Trust Company (largely owned by the Equitable Life) unless his, Odell's, losses resulting from his ventures in United States Ship Building stock were promptly recouped. Both E. H. Harriman, the railway magnate, and ex-Governor Odell, deny the charge, but the popular inclination is to believe Mr. Hyde's testimony.

A notable life insurance change is the resignation from the Metropolitan managership of the Union Central Life by Hon. W. A. Fricke, ex-Insurance Superintendent of the State of Wisconsin. Dr. Fricke proposes to start a new company on lines in accordance with original ideas which he has for some time been cherishing.

NOTES.

The United States headquarters of the London & Lancashire will shortly be moved to Hartford, occupying the same quarters with the Orient Insurance Company, which is owned by the big English corporation. Manager McLivane, of the London & Lancashire, has recently arrived home from Europe.

Manager Schreiner, of the Munich Reinsurance Company, recently sailed for Europe on one of his regular trips.

President Elbridge G. Snow, of the Home Insurance Company, has just returned from a two months' trip to the Pacific coast.

The new building of the Orient Insurance Company, in which the London & Lancashire is interested, will be formally opened on December 1, the date of the issue of this paper.

J. S. Manager Crosby, of the Royal Exchange, is absent on a trip to the Pacific coast.

The Royal will begin about January 1, to erect its fine new building at Maiden Lane and William Street. Upon its completion it will undoubtedly remove from its traditional headquarters at 50 Wall Street.

The London & Lancashire has paid its fine of \$1,000, imposed by the Union for infractions of the rules at Detroit.

The Hamilton Fire Insurance Company, of this city, has increased its capital stock from \$150,000 to \$200,010.

It is now expected that the Dryden bill for Federal Supervision of insurance will be introduced in the coming session of Congress. Its comparative unpopularity among most classes of companies, however, will likely result in its defeat for the present, at least.

QUERIST.

LONDON LETTER.

FINANCE.

November 17, 1905.

After having been anticipated for a long time the report of the British South Africa Chartered Company (the shares of which are usually known in a breviated form as "Chartered") has been issued. Everybody seems very well pleased with it. The "bulls" loudly declaim that the country of Rhodesia is on the verge of paying its way, whilst "bears" are equally prevaricative in their declaration that what progress is being made is little more than retrogression. As a matter of fact the Chartered Company is a worry and anxiety to its shareholders. Originally the company was formed to take over the rights acquired by Mr. Cecil Rhodes, through a delegation sent by him to Lobengula, King of Matabeleland. Lobengula parted with mining rights over his entire territory for 2,500 dollars, 100 rifles, steamboats for the Zambesi and some ammunition. Rhodes and his party sold these same rights for a million shares to the Chartered Company when it was formed, and what he then sold was the basic asset of the Company. As chartered shares rose in the speculative boom eventually to the price of £9 each, some idea of the profit to Cecil Rhodes and his colleagues may be arrived at by easy calculation.

By degrees the capital of the Company has been raised to six million shares of the nominal value of five dollars, whilst debentures to the total nominal value of 6,250,000 dollars had been issued. The company is the actual sovereign of Rhodesia, both in the Southern and Northern provinces thereof. Every company formed to explore, to mine, or to farm has to issue a portion of its future shares in the Chartered Company, and beyond all this the company has also the rights to tax and levy that belong to a sovereign.

With all this the expenditure has exceeded the revenue and a gradual deficit has been built up to the tune of about 21,500,000 dollars. It is true that the annual deficits are getting smaller, but they have not yet got below the million dollar mark. The people therefore who buy chartered shares at 100 p.c. premium (which is the prevailing market quotation) whilst doing much better than the people who bought at any price up to 45 dollars per share, are still taking a long supporting chance.

Bank amalgamations are no new things nowadays, but sometimes they are viewed with regret. For example, the amalgamation of the Nottingham Joint Stock Bank with the London City and Midland Bank is viewed by the shareholders of the Nottingham institution with disturbed feelings. That bank was formed early in 1865 and sailed successfully through the bank panic which occurred in the May following, its financial position being at no time assailed. The bank is highly respected through its district and its position has been rendered especially strong by the fact that between it and its local clients there was real familiarity of feeling in a way which added to confidence.

Now the bank becomes a mere unit in a big aggregation, ruled from a central board in London. To many people it seems that this gradual disappearance of the practical local banker is to be regretted, and, while amalgamation makes for economy in administration, something is being lost which was of great value and which will never be regained.

The position of financial affairs on the continent is remarkably involved at the present time. Paris is, of course, deeply concerned with the condition of affairs in Russia, and Russian bonds are falling. The general Bourse managers keep calm, but the circumstances are very trying and may in the end prove too much even for the rigid defence set up by the financial heroes. At the present time Russian 4 p.c. bonds are quoted in London at the reduced price of 86½. A sympathetic writer from the French capital in the weekly Bourse issue of the "Temps," confirms the view that there is a dearth of new securities on the Paris Stock Exchange and that most of the shares and stocks quoted there anords scarcely any attraction either to the investor or to the speculator. Whatever introductions are made come along Sub Rosa and look like temporary rigs only.

The Italian Bourses are indulging in an all-round slump, especially at Milan. A considerable boom in local securities took place in the summer, and the present slump, whilst having its immediate reasons, really is a result of vast excesses. Electrical and metallurgical shares have been quite panicky. Difference of from 40 to 80 lire are recorded in a single day. Local credit institutions are compelled to sell in the open market in order to secure liquid means, as the savings banks will no longer grant advances on securities, with which their portfolios are already overcrowded. A recent issue of the *Economista D'Italia* shows that between the prices of the summer and present prices there is a depreciation of 187,000,000 lire. Besides metallurgical concerns, gas companies and mills have suffered extremely, whilst to a smaller extent the shares of the chemical industries have fallen sharply.

INSURANCE.

Insurance amalgamations have now got to be less in the air, and more in the world of positive fact. For some years the "Patriotic" of Dublin has been living a life of

the chronic invalid. This insurance company has made an ardent struggle for effective existence, but the result of it all is that after years of denial and counter statement the office is seeking refuge in the arms of a more robust brother. In this case the absorbing office is the Sun, the directors of which institution apparently are not desirous of letting the Alliance or the Commercial Union have things all their own way.

Now that the Patriotic has finally decided to do the very best thing possible, it is amusing to recall the heated protests from the various shareholders in that company which appeared a year ago when rumours began to get round that the society had better amalgamate. I remember one man in particular pointing out to me with an enthusiasm and vehemence that were worthy of a better cause sundry alleged facts that went to show that the Patriotic was on the point of turning into a positive gold mine for its shareholders. Perhaps the simile after all was unfortunate. We know the average gold mine. The prospectus when issued to the public teems with glowing and confident statements, and while the shares are being sold, nothing can be more rosy than the prospects of the mine. After a time, however, a change comes over the spirit of the dream. The concern does not mature, the lode is missed, or lost and never found, and the end is annihilation, or reconstruction, or absorption.

The attacks upon the Equitable Life of the United States (British Branch) have revived once more, in connection with the receipt of British policy-holders of applications for proxies from the New York office. Mr. Reginald Naish is doing his best to keep up with the continual outflow of calumny and misrepresentation, but I am afraid he cannot cover all the ground. One new grievance is that the application for proxies was only received here on Nov. 10, and for a reply to reach New York by the 20th, the latest day on which proxies would be received and considered, the English policy-holders would have had to post their documents on the day following receipt. Obviously this would not allow much time for that consideration which is advisable.

It is hard to see that the effect of the election of a British Director would do beyond costing the policy-holders further expense. It was alleged at the meeting of British policy-holders held here last week, that all the officials who were responsible for the extravagances of the past had either retired, or had been dismissed. This sweeping statement, however, does not appear to be correct beyond the point where it refers to the more highly favoured officials.

Whether Mr. Mather will be appointed a director on behalf of the residents of this country remains to be seen, but the policy-holders do not appear to consider it especially advantageous. What is wanted on this side is a thorough clearance of the old troubles and the inauguration of a clean cut new system, which will profit by the mistakes of the past.

STOCK EXCHANGE NOTES.

Wednesday, p.m., November 29, 1905.

The process of "ballooning" the prices of industrials has continued in New York this week, while the standard traction and railway securities had comparatively little movement. This phase of trading in New York does not promote confidence and is looked on askance by the more conservative element. The local market continues without pressure and price movements have been moderate. As before stated Montreal securities, in the majority of instances, are selling at a low level, and have not ad-

vanced at all relatively to those in New York. Mackay Common, Nova Scotia Steel Common, Montreal Power, and C. P. R., in the order named were the most active stocks this week. Nova Scotia Steel Common had an advance on rumours of improved earnings, and the possibility that a dividend will be shown as earned in the next annual statement. The most hopeful, however, are not expecting any disbursement to the shareholders this year. For a non-dividend payer it seems sufficiently high at present. There are rumours of manipulation by a pool. Pacific has advanced in price and closed at about the highest of the week. Montreal Power on heavy liquidation has held firm within the limit of half a point. Mackay Common seems high enough on its present dividend basis, but is likely to be moved higher on prospects and is probably a good speculative buy on any reaction. Lake of the Woods Common shares seem a good purchase around present prices. This stock is on a 6 per cent. basis with good prospects, and according to all accounts the Company is doing exceedingly well.

The Montreal Stock Exchange has now had a week's experience of trading for 1/4 commission. Of course it is early to pass judgment, and although perhaps the time for this change was somewhat anticipated, the lower commission rate is for the eventual benefit of the market. The increase in the quotation unit from 25 shares to 100 shares has been found to work very satisfactorily so far, and has resulted in more reliable questions, while in no way interfering with the transactions in 25 and 50 and 75 share lots.

The ruling rate for call money in Montreal continues at 5 1/2 per cent. In New York the ruling rate for call money to-day was 6 per cent., the highest of the day being 9 per cent. The quotation for call money in London to-day was 3 1/2 per cent.

The quotations for money at continental points are as follows:—

	Market.	Bank.
Paris.....	2 15-16	3
Berlin.....	4 1/2	5 1/2
Amsterdam.....	2 9-16	3
Brussels.....	3 7-8	4
Vienna.....	4 1/2	4 1/2

C. P. R. was traded in during the week to the extent of 1,752 shares, more than one half of the transactions taking place to-day. The stock advanced to 175, closing with 174 3/4 bid, a gain of 2 1/4 points over last week's closing quotation. The earnings for the third week of November show an increase of \$263,000.

The Grand Trunk Railway Company's earnings for the third week of November show an increase of \$15,022. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day
First Preference.....	112	112 1/2
Second Preference.....	102	103
Third Preference.....	56 1/2	56 1/2

Montreal Street Railway closed with 232 bid, a gain of 1/2 point on quotation from last week's close, and 531 shares figured in the trading. The earnings for the week ending 25th inst. show an increase of \$7,722.37 as follows:—

		Increase.
Sunday.....	\$6,315.28	\$1,144.81
Monday.....	8,224.63	1,117.32
Tuesday.....	7,960.94	1,179.39
Wednesday.....	7,777.75	1,176.81
Thursday.....	8,027.74	1,63.72
Friday.....	7,654.72	774.25
Saturday.....	8,448.52	1,115.07

Toronto Railway closed unchanged from a week ago with 104½ bid. The trading in this stock continues limited, and this week's business only totalled 37 shares. The earnings for the week ending 25th inst. show an increase of \$4,701.48 as follows:—

		Increase.
Sunday.....	\$4,040.47	\$ 393.56
Monday.....	7,584.72	327.50
Tuesday.....	7,5 6 32	825.12
Wednesday.....	7,461 57	526.91
Thursday.....	7,566.96	625.02
Friday.....	7,719.19	850 44
Saturday.....	9,278.01	1,152.93

There were no transactions in Twin City, and the stock closed with a nominal bid of 115, a decline on quotation of ¼ of a point for the week. The earnings for the third week of November show an increase of \$14,486.95.

Detroit Railway closed with 93 bid, a decline on quotation of ¼ point for the week, and 900 shares changed hands, the last sales being made at 93¼. The earnings for the third week of November show an increase of \$10,486.

There were no sales in Halifax Tram this week, and the stock was not quoted at the close.

Toledo Railway is slightly firmer, closing with 32¼ bid as compared with 32 bid last week, and 275 shares were dealt in.

Havana Common shows an advance of 1 point, closing with 34 bid on sales of 455 shares. There were no transactions in the Preferred stock, nor was there any bid for it at the close to-day.

There was only one transaction in R. & O., 25 shares changing hands at 68¼, and the stock closed with 68 bid, a decline of ¼ of a point for the week.

Montreal Power was traded in to the extent of 1,775 shares during the week, most of the transactions being made at 89½, and the stock closed with 89¼ bid unchanged from a week ago.

Mackay Common advanced to 53¼ and closed with 52¼ bid, a net gain of ¾ of a point for the week on transactions involving 2,328 shares. The Preferred stock was traded in to the extent of 140 shares, and closed with 72¼ bid, a decline of ¼ point from last week's close.

Dominion Iron Common sold down to 20 and closed with 20½ bid, unchanged from a week ago, and the total transactions involved 1,315 shares. The Preferred stock weakened further and sold down to 66, recovering to 68½ bid at the close, a net decline of ½ point for the week on sales of 692 shares. The trading in the Bonds brought out \$19,000, and the closing bid was 84, a decline of ½ point from last week's closing quotation.

Nova Scotia Steel Common advanced to 69½ and closed with 68½ bid, a net gain of 2¼ points for the week on sales of 1,945 shares. There were no transactions in the Preferred stock nor in the Bonds.

Dominion Coal Common was also firmer and closed with 77½ bid, a net gain 1 full point for the week and 255 shares were dealt in. The sales in the Preferred stock brought out 12 shares which changed hands at 117½, and in the Bonds \$3,009 changed hands, the last sales being made at 101¼.

Montreal Cotton sold at 120, and closed with 118 bid, an advance of 2 points on quotation for the week, and 108 shares were dealt in.

Lake of the Woods Common sold up to 92 and closed with 91 bid, a net gain of 3¼ points from last week's closing quotation, and 50 shares changed hands, 25 at 89½ and 25 at 92. In the Preferred stock 25 shares sold at 112¼, while \$2,000 of the bonds were dealt in at 113.

Dominion Textile Preferred shows a decline of ½ point on quotation for the week, closing with 96½ bid, and 193 shares were dealt in. The closing quotations for the Bonds were as follows, Series "A", "B", "C" 95 bid. Series "D" no quotation.

	Per cent.
Call money in Montreal.....	5½
Call money in New York.....	6
Call money in London.....	3¼
Bank of England rate.....	4
Consols.....	89 13-16
Demand Sterling.....	9 5-16
60 days' Sight Sterling.....	8 7-16

Thursday, p.m., November 30, 1905.

On rumours of serious damage to the Chambly dam, Montreal Power broke sharply this afternoon to 88, recovering to 88½ bid at the close. Apart from some damage to temporary planking, used to raise the head of water at this season, which will not amount to more than \$100, we are authoritatively informed that the report is unfounded, and there is absolutely no damage to the dam. Those who were able to pick up stock at to-day's low prices, will profit by the flurry. Aside from this incident, the market was without striking features, but C. P. R. continues firm, selling between 175 and 175½ and closing with 175½ bid. Detroit Railway was fractionally stronger, and the last sales were made at 93¼. A complete list of the day's transactions will be found below. To-day being Thanksgiving Day in the States, there were no sessions of the Exchange in New York or Boston.

MONTREAL STOCK EXCHANGE SALES

THURSDAY, NOVEMBER 30, 1905.

MORNING BOARD.

No. of Shares.	Price.	No. of Shares	Price
210 C.P.R.....	175	18 Merchants Bank....	160
100 ".....	17 ¾	50 Trinidad.....	93
41 ".....	175	50 Street.....	212 ½
100 ".....	175	20 Scotia.....	69
75 Power.....	89 ¼	150 Toledo.....	33
10 R. & O.....	68	25 Duluth Pfd.....	39 ½
14 ".....	68 ½	20 Mackay Pfd.....	71 ¼
10 Coal Com.....	77	55 Mackay Com.....	53
25 ".....	77 ½	25 West India.....	48 ½
50 Duluth.....	20	15 Iron Com.....	20 ½
13 Bell Telephone.....	156 ¼	25 ".....	20 ¾
5 ".....	156 ¼	\$6000 Iron Bids.....	84 ¼

AFTERNOON BOARD.

200 C.P.R.....	175	12 Union Bank.....	144 ¼
25 Duluth.....	20 ¾	25 Coal Com.....	77 ¼
100 Power.....	89	50 Detroit.....	93 ¾
100 ".....	88 ½	100 Iron Com.....	20 ½
50 ".....	88 ¼	300 ".....	20 ¾
10 ".....	89	25 Halifax Ry.....	101
100 ".....	88 ½	50 Toledo.....	31
200 ".....	88	\$2,000 Textile Bonds (B).....	97 ¼
100 ".....	88 ½	250 "..... (B).....	97 ¼
75 ".....	88 ¾		

The gross traffic earnings of the Grand Trunk Canadian Pacific, Canadian Northern, Duluth South Shore & Atlantic railways, and the Montreal, Toronto, Halifax, Twin City, Detroit United and Havana street railways, up to the most recent date obtainable, compared with the corresponding period for 1903 and 1904, were as follows:

GRAND TRUNK RAILWAY.

Year to date.	1903.	1904.	1905.	Increase.
Oct. 31.....	\$29,643,616	\$28,158,528	\$29,722,417	1,563,889
Week ending.	1903.	1904.	1905.	Increase
Nov. 7.....	692,115	734,418	810,248	75,830
14.....	717,862	737,137	793,366	61,299
21.....	687,626	776,882	791,904	15,022

CANADIAN PACIFIC RAILWAY.

Year to date.	1903.	1904.	1905.	Increase.
Oct. 31.....	\$37,528,000	\$38,979,000	\$42,914,000	\$3,935,000

GROSS TRAFFIC EARNINGS

Week ending	1903.	1904.	1905.	Increase.
Nov. 7.....	1,014,000	1,122,000	1,302,000	180,000
14.....	976,000	1,085,000	1,370,000	285,000
21.....	910,000	1,071,000	1,334,000	263,000

NET TRAFFIC EARNINGS.

Month.	1903.	1904.	1905.	Inc.
January.....	\$916,771	\$357,652	\$422,668	\$65,010
February.....	742,741	82,541	302,171	219,606
March.....	1,258,564	850,854	1,182,827	331,973
April.....	1,493,173	412,533	531,806	119,273
May.....	1,383,357	1,391,505	1,387,935	3,430
June.....	1,246,055	1,449,911	.....	.....
July.....	1,318,527	1,449,652	1,637,778	188,126
August.....	1,434,102	1,527,930	1,791,646	263,716
September.....	1,202,266	1,268,808	1,776,010	507,202
October.....	1,654,027	1,566,114	.....	.....
November.....	1,477,081	1,669,575	.....	.....
December.....	1,581,145	1,662,669	.....	.....
Total.....	15,708,709	13,689,804	.....	.....

CANADIAN NORTHERN RAILWAY.

GROSS TRAFFIC EARNINGS.

July 1st, 1903 to June 30, 1904	July 1st, 1904 to June 30, 1905	Increase	
\$3,121,800	\$3,871,800	\$747,000	
Week ending.	1904.	1905.	Increase
Nov. 7.....	98,400	114,500	16,100
14.....	96,700	133,600	36,900
21.....	95,400	131,800	36,400

DULUTH, SOUTH SHORE & ATLANTIC.

Week ending.	1903.	1904.	1905.	Increase
Nov. 7.....	\$47,385	\$58,027	.....	.....
14.....	45,975	48,041	63,028	14,987

MONTREAL STREET RAILWAY.

Month.	1903.	1904.	1905.	Increase
January... \$	168,883	182,386	201,096	18,710
February..	139,065	167,023	184,132	17,109
March...	168,987	183,689	206,725	23,036
April.....	170,050	184,905	200,910	16,005
May.....	170,773*	217,341	232,999	15,658
June.....	205,454	220,595	244,36	14,871
July.....	212,337	223,137	254,097	30,960
August...	208,586	226,764	257,403	30,699
September.	212,156	216,305	244,085	28,200
October...	204,452	219,633	246,606	26,973
November.	187,030	201,147	.....	.....
December.	187,780	208,428	.....	.....
Week ending.	1903.	1904.	1905.	Increase
Nov. 7.....	45,093	47,720	52,747	5,027
14.....	44,91	46,951	52,884	5,922
21.....	44,262	47,123	54,540	7,517

TORONTO STREET RAILWAY.

Month.	1903.	1904.	1905.	Increase
January... \$	161,938	\$ 179,360	\$ 196,970	\$17,602
February..	146,539	168,904	185,377	16,471
March...	160,042	181,623	207,014	21,391
April.....	162,276	183,763	201,317	17,554
May.....	174,519	198,337	275,768	77,431
June.....	177,593	207,482	231,140	23,658
July.....	192,629	211,356	238,895	27,539
August...	185,822	217,887	250,780	32,903
September.	237,010	246,862	282,572	35,710
October...	183,810	202,344	230,295	27,651
November.	174,039	198,150	.....	.....
December.	199,115	213,662	.....	.....
Week ending.	1903.	1904.	1905	Increase
Nov. 7.....	39,664	46,301	51,351	5,050
14.....	40,022	44,397	53,466	9,069
21.....	42,250	48,398	52,035	3,637

TWIN CITY RAPID TRANSIT COMPANY.

Month.	1903.	1904.	1905.	Increase
January.. \$	310,084	\$329,354	\$349,469	20,111
February..	28,947	310,180	319,811	9,631
March.....	317,839	338,580	359,784	21,204
April.....	315,465	332,615	352,759	20,144
May.....	337,699	358,344	387,645	29,301
June.....	346,018	365,897	399,120	33,229
July.....	362,702	381,224	437,239	49,015
August...	363,579	386,629	420,231	33,657
September.	370,349	371,476	452,284	80,808
October...	346,673	365,932	415,039	53,101
November.	333,424	352,433	.....	.....
December.	357,452	374,738	.....	.....
Week ending.	1903.	1904.	1905.	Increase
Nov. 7.....	78,087	81,702	97,417	15,715
14.....	77,195	84,964	97,231	12,037
21.....	78,330	81,231	95,718	14,487

HALIFAX ELECTRIC TRAMWAY CO., LTD. Railway Receipts.

Month.	1903.	1904.	1905.	Increase
January.. \$	10,867	10,677	\$10,256	\$621
February..	9,322	9,894	7,186	" 2,708
March...	10,195	11,152	9,322	" 1,830
April.....	10,533	11,145	10,516	" 629
May.....	10,768	12,074	.....	.....
June.....	11,844	14,051	12,796	" 1,255
July.....	15,942	17,528	17,284	" 244
August...	16,786	17,402	17,754	352
September.	18,494	17,862	18,669	807
October...	12,055	12,434	12,833	399
November.	11,220	11,085	.....	.....
December.	12,160	12,163	.....	.....
Week ending.	1903.	1904.	1905.	Increase
Nov. 7.....	2,650	2,602	2,666	64
14.....	2,612	2,571	2,536	Dec. 54
21.....	2,636	2,709	2,761	54

Lighting Receipts.

Month.	1903.	1904.	1905.	Increase
January.. \$	13,863	\$ 16,317	\$ 15,667	Dec. 650
February..	11,924	14,227	14,180	" 47
March.....	10,523	12,718	12,719	" 2
April.....	10,156	12,116	11,964	" 151
May.....	9,020	9,756	8,905	" 851
June.....	8,368	8,998	8,653	" 350
July.....	8,351	8,953	9,019	67
August...	8,826	9,596	11,926	2,330
September.	10,781	11,720	14,250	2,530
October...	13,186	14,209	.....	.....
November.	14,200	16,273	.....	.....
December.	16,611	17,684	.....	.....
Week ending.	1904.	1905.	Increase	
Nov. 7.....	83,428	89,393	5,965	
14.....	79,043	90,712	11,669	
21.....	81,115	91,601	10,486	

DETROIT UNITED RAILWAY.

Week ending	1904.	1905.	Increase
Nov. 7.....	83,428	89,393	5,965
14.....	79,043	90,712	11,669
21.....	81,115	91,601	10,486

HAVANA ELECTRIC RAILWAY Co.

Week ending	1904.	1905.	Increase
Nov. 7.....	36,343	42,136	5,793
14.....	33,167	37,875	4,708
20.....	32,523	38,080	5,557
29.....	31,500	38,242	6,742

STOCK LIST

Reported for THE CHRONICLE by R. Wilson-Smith & Co., 160 St. James Street, Montreal.
Corrected to November 29th, 1905, P. M.

BANKS.	Closing prices or Last sale.	Par value of one share.	Revenue per cent. on investment at present prices.	Capital subscribed \$	Capital paid up \$	Reserve Fund \$	Percentage of Rest to paid up Capital %	Dividend for last half year	When Dividend payable.		
										Asked.	Bid.
British North America	135	243	4 41	4,866,666	4,866,666	2,644,000	42.00	3	April	November	
Canadian Bank of Commerce X.D.	168	50	4 16	3,819,350	3,802,255	3,940,922	49.23	3	Jan. April	July October	
Crown Bank of Canada	100	50	4 57	2,500,000	2,500,000	1,500,000	60.00	4	January	July	
Eastern Townships	164	100	4 57	2,500,000	2,500,000	1,500,000	60.00	4	January	July	
Hamilton	113	141	4 82	2,462,930	2,428,350	2,428,350	100.00	5	June	December	
Hochelaga X.D.	100	100	4 82	2,000,000	2,000,000	1,500,000	60.00	3	January	July	
Home Bank of Canada	100	100	4 82	2,000,000	2,000,000	1,500,000	60.00	3	January	July	
Imperia X.D.	100	100	4 82	2,000,000	2,000,000	1,500,000	60.00	3	January	July	
La Banque Nationale	100	30	4 82	1,500,000	1,500,000	500,000	33.33	3	June	November	
Merchants Bank of P. E. I.	100	32.44	4 32	344,073	344,073	296,000	86.02	4	January	July	
Merchants Bank of Canada X.D.	162 1/2	100	4 32	6,000,000	6,000,000	3,400,000	56.66	3	June	December	
Metropolitan Bank	100	100	4 40	3,000,000	3,000,000	1,000,000	33.33	4	April	October	
Molson	227 1/2	224	4 40	3,000,000	3,000,000	3,000,000	100.00	5	June	December	
Montreal X.D.	250	250 1/2	4 31	14,401,000	14,400,000	10,000,000	71.42	5	January	July	
New Brunswick	272	267	3 67	2,341,000	2,336,100	3,247,760	138.66	6	February	August	
Nova Scotia	100	100	4 00	1,500,000	1,500,000	650,000	43.33	3	June	December	
Ontario X.D.	225	100	4 00	2,500,000	2,500,000	2,500,000	100.00	4 1/2	June	December	
Ottawa X.D.	225	100	4 00	2,500,000	2,500,000	2,500,000	100.00	4 1/2	June	December	
People's Bank of N. B.	150	100	4 66	180,000	180,000	175,000	97.22	4	January	July	
Provincial Bank of Canada	150	139 1/2	4 66	845,337	823,234	2,500,000	296.88	14	June	December	
Quebec X.D.	221	220	3 63	3,000,000	3,000,000	3,000,000	100.00	4	February	August	
Royal	221	220	3 63	3,000,000	3,000,000	3,000,000	100.00	4	February	August	
Sovereign Bank	100	100	4 66	1,625,000	1,601,332	476,083	29.30	1 1/2	February	May August Nov	
Standard X.D.	100	50	4 66	1,000,000	1,000,000	1,000,000	100.00	5	June	December	
St. Stephen's	100	100	4 66	200,000	200,000	45,000	22.50	2 1/2	April	October	
St. Hyacinthe	100	100	4 66	504,000	529,515	75,000	14.86	3	February	August	
St. John's	100	100	4 66	800,000	299,270	10,000	1.25	3	February	August	
Toronto X.D.	242	100	4 13	3,400,500	3,421,865	3,72,865	110.00	5	June	December	
Traders	100	100	4 66	3,000,000	3,000,000	1,100,000	36.66	5	June	December	
Union Bank of Halifax	148 1/2	146 1/2	4 72	1,836,150	1,836,150	970,000	52.88	3 1/2	February	August	
Union Bank of Canada X.D.	148 1/2	146 1/2	4 72	2,800,000	2,800,000	1,100,000	39.28	3 1/2	February	August	
Western	100	100	4 72	550,000	550,000	250,000	45.45	3 1/2	April	October	
MISCELLANEOUS STOCKS.											
Bell Telephone	159	156	5 03	7,975,100	7,918,980	135,607	25.53	2*	Jan. April	July Oct	
Can. Colored Cotton Mills Co.	100	100	5 03	2,700,000	2,700,000	265,000	98.15	5	January	July	
Canada General Electric	174 1/2	174 1/2	3 42	1,475,000	1,475,000	101,400,000	68.80	3	April	October	
Canadian Pacific	93 1/2	93	5 31	15,000,000	15,000,000	4,923,122	34.75	1 1/2 & 1 1/2	Jan. April July Oct	March June Sept. Dec.	
Commercial Cable	93 1/2	93	5 31	12,500,000	12,500,000	12,500,000	100.00	1 1/2	January	July	
Detroit Electric St.	117 1/2	116	5 98	3,000,000	3,000,000	3,000,000	100.00	3 1/2	January	July	
Dominion Coal Preferred	78 1/2	77 1/2	5 98	15,000,000	15,000,000	15,000,000	100.00	3 1/2	January	July	
do Common	78 1/2	77 1/2	5 98	15,000,000	15,000,000	15,000,000	100.00	3 1/2	January	July	
Dominion Textile Co. Com.	97 1/2	96 1/2	7 14	2,500,000	2,500,000	1,94,000	77.60	1 1/2	Jan. April	July October	
Dom. Iron & Steel Com. Pfd.	201	204 1/2	100	20,000,000	20,000,000	20,000,000	100.00	100	Jan. April	July October	
do Pfd.	201	204 1/2	100	5,000,000	5,000,000	5,000,000	100.00	100	Jan. April	July October	
Duluth S. S. & Atlantic	26	100	100	12,000,000	12,000,000	12,000,000	100.00	100	Jan. April	July October	
do Pfd.	39	100	100	10,000,000	10,000,000	10,000,000	100.00	100	Jan. April	July October	
Halifax Tramway Co.	100	100	100	1,350,000	1,350,000	90,474	6.69	1 1/2	January	July	
International Coal Co	100	100	6 66	1,800,000	1,800,000	1,800,000	100.00	3	February	August	
Laurentide Paper Co.	90	100	6 66	1,200,000	1,200,000	1,200,000	100.00	3 1/2	January	July	
Laurentide Paper, Pfd.	106	100	6 66	1,200,000	1,200,000	1,200,000	100.00	3 1/2	January	July	
Lake of the Woods Mill Co., Com.	93	91	100	2,700,000	2,000,000	2,000,000	74.07	1 1/2	March, June, Sept. Dec.		
do Pfd. X.D.	114 1/2	100	6 14	1,500,000	1,500,000	1,500,000	100.00	1	January	July	
Mackay Companies Com.	52 1/2	100	3 85	50,000,000	41,380,400	41,380,400	82.76	1 1/2	Jan. April	July October	
do Pfd.	74	72 1/2	100	5,400,000	5,000,000	35,000,000	92.59	1 1/2	January	July	
Min. St. Paul & S.S.M. Pfd.	141	139 1/2	100	14,000,000	14,000,000	14,000,000	100.00	2	January	July	
do Pfd.	118	100	5 93	7,000,000	7,000,000	7,000,000	100.00	3 1/2	March June Sept. Dec.		
Montreal Cotton Co.	89 1/2	89 1/2	100	3,000,000	3,000,000	3,000,000	100.00	1 1/2	Feb. May August Nov.		
Montreal Light, H. & Pwr. Co.	105	100	100	17,000,000	17,000,000	17,000,000	100.00	100	March June Sept. Dec.		
Montreal Steel Works, Pfd.	105	100	100	800,000	800,000	800,000	100.00	100	March June Sept. Dec.		
do do Com.	105	100	100	700,000	700,000	700,000	100.00	100	March June Sept. Dec.		
Montreal Street Railway	232 1/2	232	50	4 25	7,000,000	7,000,000	698,370	13.31	3 1/2	Feb. May August Nov.	
Montreal Telegraph	167	165 1/2	40	4 78	2,000,000	2,000,000	2,000,000	100.00	2 1/2	Jan. April July October	
North-west Land, Com.	410	25	100	1,487,681	1,487,681	1,487,681	100.00	6 1/2	March		
do Pfd.	100	100	100	3,000,000	3,000,000	3,000,000	100.00	100	Jan. April July October		
N. Scotia Steel & Coal Co., Com.	69 1/2	68 1/2	100	3,000,000	3,000,000	3,000,000	100.00	15.00	2*	Jan. April	June October
do Pfd.	69 1/2	68 1/2	100	1,000,000	1,000,000	1,000,000	100.00	100	Jan. April	June October	
Ogilvie Flour Mills Co. X.D.	130	127	100	1,250,000	1,250,000	1,250,000	100.00	1 1/2	Jan. April	July October	
do Pfd.	130	127	100	2,000,000	2,000,000	2,000,000	100.00	100	Jan. April	July October	
Richelleu & Ont. Nav. Co.	70	68	100	3,132,000	3,132,000	3,132,000	100.00	3	March June Sept. Dec.		
St. John Street Railway	116	113	100	707,861	707,861	707,861	100.00	1 1/2	May, November.		
Toledo Ry & Light Co.	33	32 1/2	100	6 06	12,000,000	12,000,000	100.00	1 1/2	Jan. April	July October	
Toronto Street Railway	166	164 1/2	100	4 71	6,900,000	6,900,000	1,474,136	21.36	1 1/2	Jan. April	July October
Trinidad Electric Ry	95	90	4 80	5 26	1,200,000	1,032,000	86.00	14.41	1 1/2	Jan. April	July October
Twin City Rapid Transit Co.	116 1/2	115	100	4 23	6,111,000	16,111,000	2,635,507	43.04	1 1/2	Feb. May August Nov.	
Windsor Hotel	105	95	100	7 61	3,000,000	3,000,000	3,000,000	100.00	4	May, November.	
Winnipeg Electric Railway Co.	105	95	100	7 61	3,000,000	3,000,000	3,000,000	100.00	4	May, November.	

*Quarterly. †Bonus of per cent. ‡Price per share § Annual. ¶These figures are corrected from last Govt. Bank Statement, SEPTEMBER 30th, 1905.

STOCK LIST Continued.

BONDS.	Latest quotations.	Rate of interest per annum	Amount outstanding	When interest due	Where interest payable.	Date of Redemption.	REMARKS
Commercial Cable Coupon	96	4	\$18,000,000	1 Jan. 1 Apl. 1 July 1 Oct.	New York or London	1 Jan., 1907.	
Registered	96	4					
Can. Colored Cotton Co.	98	6	2,000,000	2 Apl. 2 Oct.	Bank of Montreal, Montreal	2 Apl., 1902.	
Canada Paper Co.	98	5	200,000	1 May 1 Nov.	Merchants Bank of Can., Montreal	1 May, 1917.	
Bell Telephone Co.	96	5	2,000,000	1 Apl. 1 Oct.	Bank of Montreal, Montreal	1 Apl., 1925.	
Dominion Coal Co.	101	5	2,433,000	1 Feb. 1 Sep.	Bank of Montreal, Montreal	1 Feb., 1912.	Redeemable at 110
Dominion Cotton Co.	96	4	\$ 208,200	1 Jan 1 July		1 Jan., 1918.	Redeemable at 110
Dominion Textile Co. Series A	95	6	758,900				do 105 after 5 yrs
do do B	95	6	1,162,000				Redeemable at 110
do do C	95	6	1,030,000				Redeemable at 110
do do D	95	6	450,000				Redeemable at 110
Dominion Iron & Steel Co.	84	5	\$ 7,876,000	1 Jan. 1 July	Bank of Montreal, Montreal	1 July, 1920.	& accrued interest
Halifax Tramway Co.	95	5	\$ 600,000	1 Jan. 1 July	Bk. of N. Scotia, Hal. or Montreal	1 Jan., 1918.	Redeemable at 110
Interoceanic Coal Co.	106	5	344,000	1 Apl. 1 Oct.		1 Apl., 1918.	
Laurentide Pulp	108	6	1,112,000				
Montmorency Cotton	95	5	1,000,000				
Montreal Gas Co.	100	4	880,074	1 Jan. 1 July	Company's Office, Montreal	1 July, 1921.	
Montreal Light, Heat and Power	100	4	7,500,000	1 Jan. 1 July	Bank of Montreal, Montreal	1 July, 1922.	Redeemable at 110
Montreal Street Ry. Co.	93	5	292,000	1 Feb. 1 Sep.	Bank of Montreal, London, Eng.	1 Feb., 1908	after Jan. 1st, 1911
do do	93	4	681,333	1 Feb. 1 Aug.	do do Montreal	1 Aug., 1922.	
do do	103	4	1,500,000	1 May 1 Nov.	Bank of Scotland, London	1 May, 1914.	
Nova Scotia Steel & Coal Co.	107	6	2,500,000	1 Jan. 1 July	Union Bank, Halifax, or Bank of Nova Scotia, Mont'l or Tr'nsto	1 July, 1931.	
Ogilvie Flour Mill Co.	116	6	1,000,000	1 June 1 Dec	Bank of Montreal, Montreal	1 June, 1922.	Redeemable at 110
Richellen & Ont. Nav. Co.	103	5	471,580	1 Feb. 1 Sep.	Montreal and London	1 Feb., 1915.	Redeemable at 110
Royal Electric Co.	94	4	\$ 130,900	1 Apl. 1 Oct.	Bk. of Montreal, Mont'l or London	Oct., 1914	Redeemable at 110
St. John Railway	95	5	\$ 675,000	1 May 1 Nov.	Bank of Montreal, St. John, N.B.	1 May, 1925.	5 p.c. redemption yearly after 1914
Toronto Railway	96	4	690,000	1 Jan. 1 July	Bank of Scotland, London	1 July, 1914.	
do do	106	4	2,508,963	28 Feb. 31 Aug.		31 Aug., 1921.	
Windsor Hotel	94	4	340,000	1 Jan. 1 July	Windsor Hotel, Montreal	2 July, 1912.	
Winnipeg Elec. Street Railway	107	5	3,000,090	1 Jan. 1 July	Bank of Montreal, Montreal	1 Jan., 1927.	
Yokoido Ry. & Light Co.	95	5	700,000	1 Jan. 1 July		1 July, 1912.	
do do	95	5	5,185,000	1 Jan. 1 July		1 July, 1909.	
do do	95	5	1,000,000	1 Jan. 1 July		1 July, 1909.	

[FIRE]
German American
 Insurance Company
 New York

CAPITAL
\$1,500,000
 NET SURPLUS
5,841,907
 ASSETS
12,980,705

AGENCIES THROUGHOUT CANADA.