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Amendment To Bank Act. A Bill has been introduced by the Finance Minister to amend the Bank Act by giving each bank power to elect a Board of Directors of at least 5 members, without restriction as to the number above five, (5).

Stock Transfer Tax In New York. The stock transfer tax in New York realized in the first six days \$52,266, and the sales were by no means large for that market. If continued, it is probable that a tax of 2½ to 3 millions will be borne, by this business in New York in the course of one year; which is an enormous, a most unfair sum to be taken out of one class of business.

Accident Underwriters' Convention. A convention of the International Association of accident underwriters will be held at Muskoka Hotel, Muskoka Lake, from 18th to 21st July. An interesting schedule of papers to be read and subjects to be discussed, has been prepared. The social and festive elements have not been overlooked. The trips through the Muskoka lakes will be greatly enjoyed as there are few more beautiful spots for sailing and boating than this region; the evening entertainments will also be attractive.

Winnipeg's Defective Fire Protection. The disastrous fire at Winnipeg, last week, has drawn attention again to the defective fire protection of that city. It was stated, some months ago, that the fire protection was about being improved, but this report was premature. The "Commercial" attributes the poor service "to the city's carelessness and dilatoriness in not furnishing the required power

for use when such serious incidents as the one of last Tuesday occur."

Our Winnipeg contemporary says:—

"We do not blame the underwriters for keeping up their rates, nor would it seem anything else than just and proper that they should raise them, when they so frequently have to put up many thousands of dollars for the total destruction of both building and contents, as in the last several instances."

It seems anomalous that a city which boasts, and boasts justly, of its being progressive, up-to-date and fully alive to modern needs, should in so vital a matter as fire protection, be so lacking in regard for the interests of property owners and its own credit.

Ex-President Cleveland's Plain Words. Ex-President Cleveland, in his letter accepting a trusteeship in the Equitable, indulged in some very plain language regarding the dangers to insurance companies and fiduciary organizations, so long as lax ideas of responsibility of trust are tolerated by the people. Mr. Cleveland wrote:

"We can better afford to slacken our pace than to abandon our old, simple American standards of honesty, and we shall be safer if we regain our old habits of looking at the appropriations to personal uses of property and interests held in trust in the same light as other forms of stealing.

"The character of this business is such that those who manage and direct it are charged with a grave trust for those who necessarily must rely upon their fidelity. In these circumstances, they have no right to regard the places they hold as ornamental, but rather as positions of work and duty and watchfulness. Above all things, they have no right to deal with the interests entrusted to them in such a way as to subserve or become confused or complicated with their personal transactions or ventures."

SOUTH AMERICAN STATES AS DEFAULTERS.

It is anomalous that the governments of the South American States, which comprise the most productive regions of the earth, have a unique record as defaulters in their financial obligations. "Where the climate's sultry," says Byron, one of the meanest of crimes is more common than elsewhere. A philosophic historian has also pointed out that the peoples in lands exceptionally blessed by the ease with which life may be sustained, are characterized by indifference to their personal honour and the obligations of public life.

Confirmation of this reproach to human nature may be found in the financial record of the Republics of Central and South America. They borrow money as though the interest and principal would be supplied as easily as are their bodily needs by Nature.

As a rule, these States are controlled by men of a mixed race, Spanish-Indian, both of which races are deficient in the qualities essential to a business man.

In the following statements, the references are to what has occurred within the last two years, in most cases to the events of this year. Were the narrative to include earlier periods, we should have to recall the scandals of Peru, Chili, etc., early last century, and the Baring panic largely caused by loans to Argentina and other States, which were uncollectable. Argentina, since then, has improved its credit.

VENEZUELA in two respects leads the world, first in its indescribable wealth of natural resources, next, in the effrontery with which default has been made and continues to be made in its financial obligations and transactions carried out by, or with the help of the government that are distinctly fraudulent. The presence of German and British gun boats in Venezuelan waters, a few years ago, was requisite to compel the government to pay its own debts and to protect the properties and financial interests of foreigners. A railway built by a German company was practically confiscated by the Government, which used it as though it were public property. Cattle were taken from private ranches and not paid for. Lands bought from and paid to the Government were seized by the succeeding government and declared to be again public property! Processes of law by foreigners against natives were useless. Venezuela and its neighbours are a hotbed of revolution. Presidents succeed each other after civil war and each president confiscates the properties sold by his predecessor, repudiates his public debts and alters the terms of public contracts with profound contempt for the individual rights of foreigners. An ex-president was once a citizen of New York, Mr. William White, who led a successful revolution as "Signor Guzman Blanco." On being in turn ejected, he went off as a millionaire many times over. The government officials of all

grades are indescribably, criminally corrupt. In Trinidad, from whence Venezuela receives its chief imports, the revenue cutters of that State are regarded as pirates. They seize vessels, confiscate their cargoes, sink them and their crews, hand over half the cargoes to the authorities and receive half as a reward, so they thus get three-fourths of every cargo they seize! Our informant speaks from direct, personal knowledge.

The river Orinoco runs 1,000 miles through the country, the lands on each side for scores of miles being fertile beyond description. But enterprize, development, trade, settlement are blighted by the rapacity of successive governments born of revolution.

Venezuela is a typical South American Republic. It required the war vessels of Germany and Great Britain to compel the government to pay its debts, and enable private debts to be collected. This extraordinary work is to be undertaken by the United States.

GUATEMALA also has a revolting reputation as a defaulter. For this conduct it has no excuse, as its natural resources are more than ample for yielding a revenue to maintain its credit. The Council of Foreign Bondholders, quite recently, wrote:—

"Nothing can be more discreditable than the conduct of the Guatemala Government who, on two occasions in one year, authorized and instructed their accredited representatives to enter into arrangements for the settlement of debt, neither of which was carried into effect."

The following illustrates the style in which these States deal with their debts. In 1902 the proposal was, that coupons of December 30, 1902, and June 30, 1903, were to be paid at 1½ per cent., and subsequently at 3 per cent. and all arrears to be funded into new bonds. This cut down revenue from these bonds by three-fourths to one-half. The new rate of 3 per cent. was not to come into operation until June, 1907, and no sinking fund to be provided until 1909. This arrangement was an act of repudiation to a large extent, yet, even this compromise was not carried out.

HONDURAS is regarded as surpassing all other States in dishonest effrontery. It has been in default since 1873! All appeals for payment have been simply ignored. Some time ago, Dr. Angel Ugarte visited London on behalf of the Government and offered to recognize the debt as \$1,619,600 (£323,920) the actual debt being \$26,992,850 (£5,398,570) and the arrears \$70,000,000! He argued that, as the bonds had fallen to 6 on the Stock Exchange, the debt be redeemed on that basis. According to this idea, a government has only to default long enough to get its bonds down to zero, then it may settle a huge debt for a mere fraction of its amount.

URUGUAY, a year ago, made an arrangement of a defaulting nature.

BUENOS AYRES. In April, 1904, this Province virtually repudiated 81 per cent. of its public liabilities. The La Plata government is seeking to evade its obligations by an Act of Congress of which a leading financial authority in London says:

"This Act is an attempt to override a financial contract in favour of bad debts against the victimized creditors."

BRAZIL. The Vice Consul at Rio de Janeiro recently reported:

The law in force here relating to recovery of debt facilitates inequitable and secret settlements between unscrupulous traders for the purpose of damaging non-resident creditors."

Brazil has a shady reputation for deficits and debt.

The fact of the lenders of money to these South American States being foreigners—mere Britishers mostly—is known to be considered almost a full justification of debt due to them being repudiated.

PERU. This State does not pay its debts, but in December last decided to borrow a further sum of \$3,000,000 to buy armaments. This was sternly condemned by London financiers who advised Peru "to rehabilitate her damaged credit" before borrowing any more.

COSTA RICA, as we recently showed, after cutting down the bonded debt and issuing new bonds at rates reduced from 6 and 7 to 4 and 5 per cent. defaulted on these, then, after a further reduction, defaulted again in 1901 and has made no payments since. The government is now proposing to have all the arrears of interest reduced from 6 and 7 to 3 and 2½ per cent.

COLUMBIA, in 1873, compromised the debt of \$33,150,000 for \$13,500,000, with lower interest. This State runs a bank which buys claims against the government at a heavy discount, then shares in the theft, as profits so made must be regarded.

SAN DOMINGO, is a persistent defaulter. The United States is to assume control of the Custom Houses and apply 55 per cent. towards the State's debt.

BOLIVIA is having litigation over an effort to practically repudiate the State bonds.

ECUADOR has given endless trouble to bondholders.

NICARAGUA has a record as a repudiator, of which a recent instance occurred.

THE PUERTO CABELLO RAILWAY tried, recently, to reduce the interest on debentures issued under an arrangement made in November last from 7 to 5 per cent. Appeal having been made to the Courts, the new scheme was declared invalid.

A few quotations from a recent London Stock Market List of Prices Current will show in what estimation South American securities are held.

State.	Rate of interest.	Present price of bonds, etc.
Columbia	6%	40
Costa Rica	5	50
Guatemala	4	35
Nicaragua	4	80
Paraguay	45½
Uruguay	3½	68½
do Railway	6	24
Venezuela	3	46½
Argentina, int. gold loan	4½	96
Brazil, gold loan	4½	90
do bonds	4	86½
Peruvian Corporation	4	44½

In most cases the low rate is contingent on the interest being paid, otherwise the interest is to be from 2 to 3 per cent higher.

South American States have reduced defaulting to a system. "Base is the slave that pays" is a general principle in those Republics. Why such large loans have been made to these governments is, to a large extent, because of the high rates of interest offered. But another cause has been the necessity of securing the good-will and help of the government in acquiring concessions of land, etc., for ranching, sugar plantations, mining, tropical fruit growing and other enterprises. The Liebig Extract of Beef Co., for instance, which draws its supplies from ranches in Argentina, and from states owned by English firms in other regions,—are sent enormous supplies of tropical products. English capital indeed is the financial basis of South and Central American and West Indian industries of all classes.

But why investors who have no interest in these Republics, except as money lenders, should have been so ready to accept such doubtful securities as they issue, is not easy to understand. Surely, Canadian capital might be far better employed and far more safely and, in the long run, more profitably invested in this Dominion than in building up enterprises in lands where the standard of commercial and of public honour is below par.

MONTREAL STREET RAILWAY CO.

The statement of above company for May naturally shows a considerable increase of earnings as the summer is harvest time for such enterprises.

The total earnings were \$236,399 against \$220,154 in May, 1904. The net earnings were \$101,706 against \$93,512 a year ago, showing an increase of \$8,193. The increase of \$6,107 in fixed charges reduced this so as to leave the surplus \$2,086. For the 8 months since October 1, 1904, the net earnings were \$43,905 more than in preceding period 1903-4, and fixed charges \$20,577 greater, the result of the operations for the 8 months being a surplus of \$23,327. The improvements being extensively made in the road bed are very costly, but, in the long run, will inure to the benefit of the company.

THE MERCHANTS' BANK OF CANADA.

SKETCH OF ITS HISTORY SINCE 1864.

The Merchants' Bank of Canada was founded in 1864, the prime mover in this new enterprise being the late Sir Hugh Allan, who, for many years, was its President. The time was one when Canada was giving signs of entering upon an era of trade expansion, of political unity, of financial growth. It was the year when a conference of leading statesmen was held at Quebec, who passed resolutions in favour of Confederation of British North American Provinces. Three years later the British North American Act was passed by the Imperial Parliament, by which the Dominion of Canada was established. The Merchants' Bank of Canada was a most significant event, it demonstrated that Canada was no longer "a land without capital," as it had been declared only a few years earlier, but was in a position to provide capital for a bank of considerable magnitude, and provide business to keep a large capital and other resources profitably employed. The prestige of the Allan firm, as owners of the only line of ocean steamers running between England and Canada, was of invaluable service to the new bank, as it has ever continued to be up to this date.

The following statistics show the expansion of Canada since from 3 to 4 years after the Merchants' Bank was founded:—

	\$
Imports of foreign goods, 1867-8.....	73,459,644
Exports of Canadian products, 1867-8.....	48,504,899
Increase of imports since 1867-8.....	185,752,159
Increase of exports since 1867-8.....	165,016,336
Fire insurance, at risk, 1867-8.....	188,359,809
Increase of do since 1867-8.....	744,914,955

The foreign trade of Canada in that period has increased over three times, and the amount of property insured against fire has increased about 4 times. In facilitating the business operations which arose out of and stimulated this development of trade, the Merchants' Bank of Canada did splendid service.

The history of this institution divides itself naturally into three periods, from 1864 to 1877, from 1877 to 1897, and from 1897 to 1905. Prior to 1877 the official returns are less complete than they now are, but from 1875 to end of the first period they are available. We give then the more important items for 1875 and 1877.

	Dec. 31, 1875.	May 31, 1877.
Capital paid up.....	8,135,626	8,196,903
Deposits.....	7,701,391	7,233,416
Discounts.....	14,689,717	13,431,351
Total assets.....	22,392,974	20,101,795

On the 2nd July, 1877, the directors' report narrates that, in February, the general manager resigned, and it goes on to say:

"It happened that Mr. George Hague had just re-

tired from the Bank of Toronto, after a period of successful management. The directors were fortunate enough to obtain his assent to consider the situation. He proceeded at once to make a general survey of the bank's affairs, and having satisfied self that there existed as much soundness and such a well-established business connection as to give good prospects of success and credit in the undertaking, made an engagement for a term of years."

A statement is then submitted, the net result showing that \$2,026,256 had to be deducted from capital account leaving it \$6,170,000, and contingent fund \$750,000.

At the end of August, 1875, the shares were quoted at 101.75; on 28th June, 1877, the price was 66.66, and in August, 1877, 67.25.

Mr. George Hague had a herculean task in bringing the business into business shape. He was beset by most harassing difficulties. Almost the entire managerial staff of over 40 branches had become demoralized. Managers refused to obey his instructions; he was denied the right of examining the books of a branch; his movements and proposed visits of inspection were wired from branch to branch, information as to accounts was refused, his letters were unanswered, the sternest steps had to be taken to restore discipline and harmony between head office and branches. Those reckoned without their host who imagined the new general manager could be overawed, or influenced by such insubordination. A few examples were made, then, gradually, the whole staff bent their energies loyally to aid the work of reorganization.

The end of the first year under Mr. Hague's management affords a point for comparison with the condition of the Bank when he retired.

From the preceding narrative it can be understood what a task it was to restore a bank in that condition to public confidence, to acquire deposits and commercial business. To compare what was achieved after an institution had been on the verge of wreck, with what was accomplished after its credit was restored and its business put on a basis favourable for expansion, is highly unreasonable, unless the former conditions are fully allowed for.

The following is an exhibit of the progress made under the management of Mr. George Hague:

	May 31, 1897.	May 31, 1878.	Increase.
Capital paid up.....	6,000,000	5,461,790	538,200
Reserve Fund.....	3,000,000	750,000	2,250,000
Price of shares.....	175%	90½%	84½%
Deposits.....	11,122,193	5,345,337	5,776,856
Discounts.....	17,449,710	11,132,142	6,317,568
Total assets.....	24,259,340	14,988,626	9,270,714

Each \$1,000 of capital stock in 1878 was only worth \$905, whereas at the close of Mr. Hague's management each \$1,000 had a market value of \$1,750. The value of the entire paid-up capital, as it stood in 1877, was increased by \$4,615,133 be-

tween his first year and the date of his retirement. The bank that was nearly a wreck was so restored as to have greater strength than ever before. These figures will ever be Hague's title to the grateful, the honourable remembrance of all interested in the Merchants' Bank of Canada and the respect of every Canadian, for he saved this country from a disastrous scandal.

On Mr. Hague's retirement he was succeeded by Mr. Thomas Fyshe, who had been successful in his management of the Bank of Nova Scotia, to which he was appointed in 1875, and whose business and resources he had largely increased. This appointment opened the third period of the history of the Merchants' Bank of Canada. The following shows the more important changes since Mr. Fyshe assumed control:—

	1905.	1897.	Increase.
	\$	\$	\$
Capital paid up.....	6,000,000	6,000,000	
Reserve Fund.....	3,200,000	3,000,000	200,000
Price of shares.....	170%	175%	decrease 5%
Deposits.....	25,925,657	11,122,193	14,803,464
Discounts.....	19,600,157	17,449,710	2,150,447

Between 1897 and 1905 the deposits of all the banks increased on the average by 130 per cent., the Merchants' Bank increase having been 128 per cent., and the current loans of all the banks increased on the average between 1897 and 1905 by 115 per cent. and those of the Merchants' Bank by 12.30 per cent.

This month, Mr. Fyshe retires, and so ends the third chapter in the history of this institution.

ROYAL INSURANCE COMPANY.

In commenting, last year, upon the report of the Royal for 1903, we said, "The Royal enjoys a reputation for extent of business and results which must be surpassed year after year to maintain its record—its most active competitor is its own history."

The statement for last year shows that the development of business in the fire department was much larger than in the preceding year. The progress made by the Royal in the last 5 years, is shown by the following statistics:—

Year.	Net fire premiums.	Net losses.	Total assets.
	\$	\$	\$
1904.....	14,978,330	8,675,150	68,747,990
1903.....	14,241,705	6,934,415	66,741,675
1902.....	13,817,695	7,231,380	62,474,335
1901.....	12,548,600	7,424,400	59,940,615
1900.....	10,391,490	6,200,310	51,817,255
Increase in five years... \$	4,586,840	\$16,930,735
Increase per cent.....	44.14%	32.67%

The benefit of the splendid results in 1903, on which the management was congratulating itself early in 1904, was somewhat discounted by the Baltimore, Toronto and other conflagrations, which, though fatal to a number of companies, left hardly

any mark on the returns of the Royal. To such a financial giant as the Royal blows of that character are insignificant. The company is organized to carry extensive risks and such extensive losses as periodically occur are more than amply provided for.

The losses last year were, doubtless, heavy, but the premiums were also large, so large indeed as to make the loss ratio 57.8, which is quite a moderate percentage. The Royal is comparable to the great rock of which it was said "It smiles as tempestuous waves waste their strength in attacking its base," for, out of successive conflagrations, it has emerged in all the plenitude and pride of impregnable strength.

Last year the Fire Fund was raised from \$6,000,000 to \$7,000,000, an increase of one million dollars.

The Life Department of the Royal had a premium income last year of \$3,305,450, and from interest \$1,494,920. The new assurances issued in 1904 were \$6,544,310. The expense ratio was only 8½ per cent. of the income, which is phenomenally low. The surplus to policy-holders disclosed by the valuation for quinquennial period ending 31st December, 1904, is \$3,314,965, which is sufficient to provide a Revisionary Bonus of \$15 per \$1,000 per annum.

The present rate of bonus is the same as has been declared for the past 7 quinquennial periods, covering a period of 35 years.

The Royal is noted for its stringent valuation of life assurances. The basis almost throughout is the O. M. & O. M. 5 with interest at 3%. In the process of valuation, it has been assumed that the next premium after the valuation date was due immediately or at the end of the year, according as the interval until the next renewal date was more or less than six months. By making this assumption, instead of regarding the premiums as evenly distributed over the whole year, the liability was increased by \$331,000, being an instance of how full and even severe has been the estimate of every element of liability.

A summary of the valuation report has been published, exhibiting full particulars of the policies in force in every system of insurance and liabilities in each. The large surplus realized clearly indicates the care bestowed upon the selection of lives, the expenses of management and the investment of funds.

Mr. A. R. Howell, superintendent of the life department in Canada, has a good technical knowledge of the business. The company is making arrangements to increase its life business, considerably throughout the Dominion. In doing which, its high prestige, its record for the payment of large profits, its excellent financial position, and the liberal conditions of its policies, should afford material assistance to its agents.

The Canadian fire premiums were \$1,107,031 in 1904.

The business of the Royal in the Dominion is ably managed, most energetically promoted, and zealously watched over by Mr. William Mackay, who has a competent and very valuable co-adjutor in Mr. J. H. Labelle.

THE TRUST AND LOAN COMPANY OF CANADA.

The operations of this pioneer company during the past year, in Manitoba and the Northwest, were carried on with results most advantageous to the settlers and the country generally. In dwelling upon the expansion of those sections of Canada, the conditions are too generally ignored which have in the past, as in the current time are facilitating the great movement for populating the Northwest with agricultural settlers. Had there been no capital available to assist those who proposed to take up land in the Northwest, on such terms as are offered by the Trust and Loan Company of Canada and similar organizations, the new territories acquired from the Hudson's Bay Company would have been much of a "white elephant" in the hands of Canada, for they would have remained unsettled and, therefore, uncultivated. The same remark applies also to other Provinces which owe their development largely to the capital provided by mortgage loan companies. This capital has yielded heavy harvests of capital, so that, to-day, an enormous amount of the monetary accommodation provided by banks to mercantile and industrial enterprises is derived from the deposits of agriculturalists and their associates in trade. Canada then should not ignore these conditions, but gratefully recognize these institutions which have done her such service, not the least worthy of these being the old Trust and Loan Company with its half century record.

For the 6 months ending 31st March, the net profits amount to \$68,380. After carrying to the reserve fund the moiety of profits over 6 per cent. dividend, as required by the Royal Charter of Incorporation, viz., \$9,815, the balance at credit of revenue, including \$98,055, brought forward from September last, is \$156,622. Out of this a 6 per cent. dividend and a bonus of one-half per cent. for the 6 months, less income tax, was declared on the paid-up capital, leaving a balance of \$99,746 to be carried to credit of current half-year accounts. The company, since 1852, has paid an average dividend of 7.2 per cent., which is an exceptionally favourable record and proof of the sound judgment exercised in the selection of securities for loans. The company has also laid by a reserve of \$895,000. In the past year the investments have increased \$300,000.

The chairman said that 130,000 souls had been added to Canada's immigrant in 1904, of whom 45,176 were from the United States.

There are signs here and there, in the Northwest, of an over sanguine spirit which is leading to more borrowing than is prudent. Against stimulating this, the banks and loan companies will need to guard.

So far as the influence of Colonel Ede extends, who is in control of the Canadian business, there is no danger of imprudence, he has a thorough knowledge of the situation, also of the needs and the true interests of the country in promoting and guarding which he will exercise sound, conservative judgment.

THE CANADIAN FIRE UNDERWRITERS' ASSOCIATION HAS DONE EXCELLENT SERVICE TO THE PUBLIC.

The Canadian Fire Underwriters' Association attained its majority a year ago, and is now fairly launched into its manhood. We have watched its progress throughout its career, from its infantile struggles upwards, and it was subject, like other infants, to the diseases which usually accompany that period of existence. It passed through a varied career, and was often threatened with disruptions, but some good doctors by the exercise of patience, perseverance and sound judgment, succeeded in preserving its young life, and by judicious treatment built up its constitution until it attained the strength and vigour it now enjoys.

We well remember how, twenty years ago, the present secretary of the association was merely secretary of the Eastern Branch, when an office boy and a couple of very unpretentious rooms were sufficient for the needs of the business. To-day, it requires spacious office accommodation, branches at Toronto and Winnipeg, several inspectors, and a large staff of other officials, including rating officers. Prior to the birth of the association, there was no special system of rating. No classification of towns or villages, and, as might be expected, there was a certain element of what we might term gambling hazard in connection with the business, with a rule that the one with the longest purse had the best chance, we will not say of winning, but of securing business that might prove not worth the turn of the dice. Managers would argue that although they knew that the rates were inadequate, yet as other companies would accept them, they would not be justified in refusing, and it must finally be the survival of the fittest.

The appointment of an inspector of municipal appliances, and the classification of various cities and towns was, so to speak, the first thin edge of the wedge which the Association inserted. Next came the very necessary formation of a rating schedule of manufacturing risks, for it was manifestly unfair to make no difference between two risks situated in the same place, and even of the same construction,

one being two stories high and the other five stories; one being equipped with hose and other private appliances, and the other having no equipment. Allowances are now made for these appliances, and they are in consequence put into other factories to the general improvement of these risks. It was also considered that something should be done to put an end of some of the best and most desirable risks being insured outside of Canada, and an inspector was appointed for automatic sprinkler risks with, we believe, most satisfactory results. But one of the chief improvements which has been inaugurated is, in our opinion, that of specific rating, which is still in progress, and which we have referred to in recent issues of this journal, so that the public are beginning to understand what the Association has done, and is still endeavoring to do a deal more than to fix the rates. It is realized that it is carrying out what it laid down at the commencement of its career, namely, the improvement of the business of fire insurance in Canada. This is a work well worth the struggle which it has entailed, for it not only places the business of fire insurance on a satisfactory basis, but teaches the public that prosperity in every branch of commerce, is promoted, and a help given to the general trade of a country by such conditions as protect properties from devastation by fire. Rates must be governed by results, and these results are affected by unforeseen calamities, such as the recent conflagrations at Hull, Toronto, and many other cities. By consultation with the Underwriters' Association, these calamities are largely minimized; the exposure hazard has been lessened, and the public finds to-day that they are working in their own best interests in carrying out the recommendations of the association. Profits in fire insurance are not necessarily dependent upon either high or low rates, but by the rates being commensurate with the hazard, and if, as we are inclined to think, this is beginning to be clearly understood, the life of the association, so far, has not been in vain, and is well worthy of the most loyal support of every fire insurance company, as well as of the public generally.

As no human institution is perfect, it would be absurd to suppose that the Canadian Fire Insurance Association has not made mistakes, nor having attained such a vigorous manhood, that it is not subject to the ills of mortality, but we hope that it will be so guided that it will increase in usefulness, and continue a career mutually advantageous to the companies and the country. This, we think, is the best wish we could offer at this period of its 22nd Annual Meeting, which is now about to be held at Muskoka. We would like to say that we scarcely think it is reasonable that any fire office should withdraw from the association, except from very good causes indeed.

INSTITUTE OF ACTUARIES' EXAMINATION.

Mr. T. Bradshaw, F.I.A., supervisor in Toronto of the examinations of the Institute of Actuaries in Great Britain, has received a cable announcing the names of the successful candidates who wrote on the examinations held in that city last April. In all there are four examinations; candidates in Toronto wrote on three of these. First examination—John Allen, Imperial Life; E. G. Blackader, Canada Life; T. A. Dark, Excelsior Life; J. M. Laing, Mutual Life of Canada; M. P. Langstaff, Imperial Life; J. H. McKechnie, Waterford, Ontario; T. A. Phillips, Toronto; C. J. S. Stuart, Canada Life; John S. Thompson, Toronto; D. A. Walker, Equitable Life, N.Y. Second examination—W. A. Bain, Manufacturers' Life; L. K. File, Imperial Life; W. H. Gould, Sovereign Life; M. S. Hallman, Mutual Life of Canada; W. R. Hitchins, Manufacturers' Life; J. M. Langstaff, Imperial Life; J. A. MacFarlane, North American Life; J. B. McKechnie, Manufacturers' Life; W. H. Somerville, Mutual Life of Canada. Third examination—M. A. Mackenzie, Trinity University.

MR. E. F. HEBDEN.

Mr. E. F. Hebden, who was recently appointed acting general manager of the Merchants' Bank of Canada, is a son of the late Canon Hebden, Hamilton, Ont., and a brother of Mr. R. Y. Hebden, of the Bank of Montreal at New York.

He was educated at Hellmuth College, London, Ont., and later at Heidelberg, Germany.

Mr. Hebden entered the service of the Merchants' Bank, in 1872, as junior, at Hamilton, Ont. He has been engaged in management for 18 years at different branches, and has filled the position of Superintendent and Chief Inspector of the Merchants' Bank for the past 9 years.

BANK STATEMENT FOR MAY, 1905.

The bank statement for last month has been issued much earlier than usual. Probably as the number of banks decreases, the returns will be compiled at an earlier date, which will be a welcome change. The changes in May are not usually of any marked significance beyond intimations appearing here and there of business expanding by navigation being re-opened.

The increase of \$1,562,843 in call loans in Canada was more than offset by a decrease of these loans elsewhere by \$4,237,765, under low rates, which left a net decrease of \$2,674,922. The current loans in Canada were increased by \$5,795,568, which is a great contrast to previous May, 1904, when these loans only increased \$14,882. The net change in total loans was an increase of \$3,467,746, which is 3 millions greater than the increase a year ago.

The decrease of circulation by \$1,805,578 follows the usual order, as the note issues usually are about the lowest of the year in May.

The deposits made a considerable advance, the gross increase having been \$9,302,858, which a few years ago would have been considered satisfactory for the whole year. This sum is, however, \$5,240,200 less than the total increase in May, 1904, when 14½ millions were added to the deposits. The banks have now 95 millions more on deposit than they had two years ago, of which \$53,895,852 was added between May, 1904, and May, 1905. The

resources of the banks are increasing at such a rate as to suggest consideration of what the rating rate of interest is going to be both for deposits and loans, as the increase of deposits in last twelve months has been \$53,895,852, against an increase in loans of both classes of \$35,928,254, that is the deposits have been enlarged by \$17,967,598 in excess of the combined enlargement of call and current loans.

The annual statements being published this month are all favourable. Good profits have been made all round and reports universally are sanguine of the present prosperity continuing.

STATISTICAL ABSTRACT FOR MAY 31, 1905, OF THE CHARTERED BANKS OF CANADA.

Comparison of Principal Items, showing increase or decrease for the month and for the year.

<i>Assets.</i>	May 31, 1905.	April 30, 05.	May 31, 1904.	Increase or Decrease for month.	Increase or Decrease for year.
Specie and Dominion Notes.....	\$55,147,022	\$54,979,125	\$48,273,198	Inc. \$ 167,857	Inc. \$6,872,824
Notes of and Cheques on other Banks.....	21,546,750	19,257,223	18,624,100	Inc. 1,289,527	Inc. 2,912,650
Deposit to Secure Note Issues.....	3,328,771	3,328,771	3,150,844	No change	Inc. 197,927
Loans to other Banks in Canada secured.....	1,160,868	924,601	791,539	Inc. 236,207	Inc. 269,169
Deposits with and due from other Bks. in Canada....	6,155,466	6,546,212	5,265,062	Dec. 390,746	Inc. 80,404
Due from Banks, etc., in United Kingdom.....	10,231,212	10,739,430	3,362,168	Dec. 509,218	Inc. 6,969,044
Due from Banks, etc., elsewhere.....	17,361,880	16,024,306	13,593,721	Inc. 1,337,574	Inc. 3,768,159
Government Securities.....	8,479,147	8,622,764	10,547,439	Dec. 143,617	Dec. 2,068,292
Canadian Municipal and other Securities.....	18,878,764	18,420,178	14,660,214	Inc. 458,586	Inc. 4,218,550
Railway Bonds and Stocks.....	40,504,993	39,665,778	39,740,666	Inc. 519,215	Inc. 764,907
Total Securities held.....	67,862,904	67,008,720	64,947,739	Inc. 854,184	Inc. 2,915,165
Call Loans in Canada.....	39,487,563	37,924,720	36,960,202	Inc. 1,562,843	Inc. 2,521,361
Call Loans outside Canada.....	40,285,811	44,521,606	38,767,494	Dec. 4,237,705	Inc. 1,518,347
Total Call and Short Loans.....	79,773,104	82,448,326	75,727,696	Dec. 2,674,922	Inc. 4,045,708
Loans and Discounts in Canada.....	437,200,882	431,405,314	409,210,955	Inc. 5,795,568	Inc. 27,989,927
Loans and Discounts outside Canada.....	23,128,257	22,781,157	19,235,638	Inc. 347,100	Inc. 3,841,010
Total Current Loans and Discounts.....	460,329,139	454,186,471	428,446,593	Inc. 6,142,668	Inc. 31,882,546
Aggregate of Loans to Public.....	540,102,543	536,634,797	504,174,289	Inc. 3,467,746	Inc. 35,928,254
Loans to Provincial Governments.....	2,486,270	2,711,486	2,776,175	Dec. 225,216	Dec. 290,205
Overdue Debts.....	2,286,239	2,329,459	2,726,693	Dec. 43,220	Inc. 259,540
Bank Premises.....	10,482,732	10,609,869	9,492,317	Dec. 127,137	Inc. 990,385
Other Real Estate and Mortgages.....	1,279,573	1,283,719	1,442,999	Dec. 4,196	Dec. 163,246
Other Assets.....	6,990,190	6,275,325	6,977,226	Inc. 714,865	Inc. 12,664
Total Assets.....	740,422,543	738,654,287	684,879,573	Inc. 7,768,259	Inc. 61,547,970
<i>Liabilities.</i>					
Notes in Circulation.....	58,136,070	59,941,648	51,857,174	Dec. 1,805,578	Inc. 278,996
Due to Dominion Government.....	3,062,155	2,923,608	3,748,366	Inc. 138,547	Dec. 686,211
Due to Provincial Governments.....	6,819,774	7,167,412	5,019,585	Dec. 327,678	Inc. 1,800,189
Deposits in Canada payable on demand.....	130,198,398	127,213,044	112,652,678	Inc. 2,985,354	Inc. 17,545,720
Deposits in Canada payable after notice.....	334,924,450	312,126,292	306,016,092	Inc. 2,568,158	Inc. 28,068,378
Total Deposits of the Public in Canada.....	465,122,848	459,539,336	418,668,770	Inc. 5,583,312	Inc. 46,454,078
Deposits elsewhere than in Canada.....	43,138,066	39,418,720	35,696,292	Inc. 3,719,346	Inc. 7,441,774
Total Deposits.....	508,260,914	498,958,056	454,365,062	Inc. 93,285,8	Inc. 53,895,852
Loans from other Banks in Canada.....	1,199,354	1,054,309	891,107	Inc. 145,045	Inc. 308,247
Deposits by other Banks in Canada.....	4,982,919	4,652,181	4,011,700	Inc. 330,958	Inc. 951,239
Due to Banks and Agencies in United Kingdom.....	6,117,468	4,324,046	7,267,278	Inc. 1,793,412	Dec. 1,149,810
Due to Banks and Agencies elsewhere.....	1,695,349	1,963,580	1,342,532	Dec. 268,231	Inc. 352,867
Other Liabilities.....	9,044,675	10,572,123	9,347,313	Dec. 1,527,448	Dec. 302,658
Total Liabilities.....	599,338,771	591,557,094	543,870,219	Inc. 7,781,677	Inc. 55,468,552
<i>Capital, etc.</i>					
Capital paid up.....	81,792,536	81,613,513	78,801,319	Inc. 179,023	Inc. 2,991,215
Reserve Fund.....	55,862,130	54,908,009	52,209,458	Inc. 954,321	Inc. 352,872
Liabilities of Directors and their firms.....	8,850,748	8,829,777	10,664,253	Inc. 20,971	Dec. 1,813,507
Greatest circulation during the month.....	61,339,132	62,226,126	60,258,489	Dec. 886,994	Inc. 1,800,943

THE MERCHANTS' BANK OF CANADA.

The annual statement of the Merchants' Bank of Canada presented to the meeting held on 21st inst., is not signed by Mr. Fyshe who, up to a few days ago, was general manager. The omission of his signature and his absence from the annual meeting have excited natural curiosity as to the cause of which no explanation was given to the shareholders who enquired. The statement is signed, "E. F. Hebden, acting general manager."

The net profits of the year were \$649,237 against \$729,714 in previous year, the decrease of \$80,477 being attributed to the low rates prevailing in New York and other loaning centres. To the profits was added \$90,000 stated to be "Recoveries realized from other securities," which the report speaks of as, "formerly written down." The balance from previous year was \$18,959, which being added to the profits and "recoveries" made a total of \$758,197, which was thus disposed of, two 3/4 per cent. half-yearly dividends absorbed \$420,000, \$200,000 was added to Reserve Fund, \$50,000 written off bank premises account, and \$15,000 transferred to Officers' Pension Fund. These four items made a total of \$685,000, which, being deducted from the total for distribution leaves \$73,197 as a handsome balance to be carried forward to next year.

The Reserve Fund now stands at \$3,400,000, which equals 56.66 per cent. of the paid-up capital. Since 1899, there has been added \$800,000 to the Reserve Fund, including the \$200,000 as per last statement. There had, however, been the sum of \$400,000 written off when the change of management took place, a portion thereof, is understood to have been recovered.

That the Merchants' Bank of Canada enjoys a large measure of public confidence is shown by its public deposits being \$27,066,248, which, with the capital, rest, and circulation make the aggregate resources \$40,190,000, which sum forms a wide and strong foundation for a business superstructure of great prominence and capable of eminent utility to the interests of the commercial community.

At the meeting, Mr. Morrison indulged in characteristic pleasantries—or otherwise. He thought, as the directors were not so bad as those in New York, they ought to be re-elected. His remarks on the president were uncalled for, they were in no sense deserved. To the Allan family, the Merchants' Bank of Canada owes its origin. They have contributed very largely to its business, to its resources, to its prestige, and its present strength.

The retiring general manager has been treated very handsomely. He has been granted his salary

for 2 years and a pension of \$1,000 per annum more than what he would have been entitled to, had he continued with the Bank of Nova Scotia.

The Acting General Manager, Mr. Hebden, has a thorough knowledge of the affairs of the Merchants' Bank, having been in almost every confidential position in the service for some years.

What the future policy of the bank may be is not known. It is now, however, in good, capable hands, and its prospects are bright for an increasing business and prosperous future.

CREDIT MEN AND INSURANCE.

"The National Association of Credit Men" held a conference last week at Memphis, Tenn. This is an association of merchants who have banded together to improve the conditions of credit, and as the president said, "to act as a cementing force between the various local organizations, as well as be devoted to the development of the ethical phases of credit and act as an educational centre of economic problems, for the interchange of views bearing on credit problems, for the educational advancement of credit men in the different phases of their profession and for the procurement of legislation affecting credit interests."

The president referred to insurance at some length as having a close bearing upon credit, and as essential to the protection of credit interests.

He asked the members to give consideration especially "to the laws that have been passed in some States, that are aimed at and are hostile to the reputable old line fire insurance companies. I refer to that character of legislation known as the 'Valued Policy' laws and the 'Anti-Compact' laws. The result of the first is to encourage arson and add to the loss ratio. The operation of the second will in all probability lead to the withdrawal of some of the best companies from those States where the law is in effect, consequently reducing the amount of good insurance which may be secured therein.

"It is not in the interest of the fire insurance companies, nor with a view to meddling in any way, shape or form with any business interests other than our own, that these references are made, but the question of adequate insurance is such an important feature in the dispensation of credit that we are clearly justified in carefully scrutinizing laws such as those mentioned. I would, therefore, recommend and urge the exercise of your influence for the repeal of all laws which vitiate the quality or restrict the amount of fire insurance protection."

The president of the Pittsburgh Credit Men, in his address, spoke of the necessity of having state-

ments from those to whom credit is extended and said:

"A statement will show whether stocks are adequately protected by fire insurance. So many losses are attributable to lack of insurance that good credit men are refusing accounts not so covered."

NEW PUBLICATIONS.

One of the fads or features of the day is the outbreak of an epidemic, which manifests itself in the multiplication of new publications. If subscriptions be required for some new association, or in connection with education, or for any other object, an organ is immediately started, for which subscriptions and advertisements are solicited. In fact, if the craze develops as much in the future as it has in the last year or two, it will not be surprising if every saloon and every cab-stand is represented by an or-

gan. We have trumpery sheets of every description, with high sounding names, assuming to be representative of some commercial or public interest.

The "Insurance and Financial Review" is the cognomen assumed by a new publication recently started in Toronto. This publication has no connection with "The Insurance and Finance Chronicle. By the way, why did not the publisher, or publishers, whoever they are, take the entire title of this journal, while they were at it?

A BURGLARY INSURANCE RISK.—A Liverpool jeweller was sued by an assistant for wrongful dismissal. The man swore that his master put rings into his pocket and broke a number of watches to increase a claim made against the National Burglary Insurance Corporation. The company's inspector thinks no burglary was committed as was alleged. Some "tall" swearing seems to have occurred on both sides.

UNITED STATES LIFE COMPANIES, 1904.

Premiums and expenses in 1904, as given in report of Insurance Commissioner, Connecticut.

	Premiums Receipts.		Total Premiums	Expense of Management	Commissions paid			Managt. Exps. to Prems.	Percentage of Commission on			
	on New Business	on Renewals.			on New Business	on Renewals	Total		Bus.	Reus.	Total Prems	
Connecticut Co's	\$	6	\$	\$	\$	\$	\$	%	%	%	%	
Aetna.....	1,494,690	7,946,700	9,441,390	1,989,633	658,996	438,481	\$1,097,478	21.01	44.09	5.51	11.53	
Conn. General...	176,654	733,024	909,678	246,082	69,414	42,719	112,133	26.91	39.29	5.83	11.29	
Conn. Mutual...	542,467	4,868,910	5,411,377	877,026	92,812	276,807	369,620	16.21	17.11	5.69	6.89	
Hartford.....	205,243	2,184,309	2,389,553	474,226	180,991	68,289	249,280	19.85	18.18	3.13	10.43	
Phoenix.....	635,636	2,607,167	3,242,803	779,329	232,829	166,662	399,492	24.32	43.47	6.39	12.46	
Travelers (Life).	861,452	3,979,059	4,840,511	950,383	406,807	220,600	627,408	19.63	47.22	5.64	12.96	
Totals.....	\$ 3,816,144	\$22,337,142	\$26,231,252	\$ 5,316,680	\$1,641,852	\$1,213,560	\$2,855,413	20.27	43.02	5.43	10.89	
Cos. of Other States												
Berkshire.....	\$ 185,652	\$ 1,899,001	\$ 2,084,653	\$ 427,436	\$ 107,500	\$ 127,012	\$ 234,513	17.63	57.90	6.69	9.97	
Equitable.....	12,015,466	49,818,403	61,833,869	13,479,773	3,358,977	4,991,475	8,350,452	21.52	27.96	10.02	13.33	
Fidelity.....	698,368	2,805,606	3,503,974	1,230,082	470,654	95,627	566,282	35.11	67.39	3.41	16.16	
Germania.....	780,809	3,662,725	4,443,534	1,159,007	410,660	179,694	591,355	25.89	52.59	4.91	13.19	
Home.....	503,066	2,312,034	3,015,893	829,417	251,573	161,442	413,016	27.50	50.01	6.94	13.61	
Massachusetts..	840,954	5,679,751	6,520,705	1,293,157	410,375	336,982	747,358	19.91	48.80	6.04	11.58	
Mutual Benefit..	1,975,924	11,348,450	13,324,374	2,463,497	740,211	668,441	1,408,653	17.98	37.48	5.89	10.24	
Mutual.....	13,057,924	48,255,445	61,313,369	15,235,153	6,691,016	1,855,148	8,546,165	24.21	51.24	3.84	13.53	
National.....	5,175,163	4,311,464	9,486,627	5,494,408	1,305,556	457,828	324,549	782,378	23.76	38.96	7.53	14.23
New England....	735,157	4,545,749	5,280,906	5,339,227	1,137,457	364,085	251,489	615,574	21.30	49.51	5.53	11.53
New York.....	15,622,082	64,422,754	80,044,836	18,506,780	7,312,218	2,778,715	10,090,933	22.97	46.81	4.31	12.53	
Northwestern...	3,176,064	24,085,374	27,261,438	4,467,502	1,326,042	1,768,003	3,094,046	15.93	41.72	7.34	11.09	
Penn.....	2,757,913	10,458,392	13,216,305	2,855,604	1,130,290	642,139	1,772,429	21.44	40.98	6.44	13.69	
Provident L & F	793,418	5,735,377	6,528,795	1,143,360	254,304	327,198	581,502	17.08	32.05	5.70	8.14	
Provident Sav'gs	733,719	2,925,578	3,659,297	1,382,709	371,502	176,088	517,590	37.92	46.64	6.02	14.41	
Reliance.....	135,604	31,206	166,810	273,507	75,756	1,820	77,576	16.63	55.87	5.83	46.84	
Security Mutual	374,986	677,298	1,052,284	728,170	288,988	57,279	346,268	50.14	77.07	5.32	23.84	
State.....	483,909	3,473,488	3,957,397	4,078,879	826,235	251,206	381,936	483,142	20.26	51.91	6.68	11.20
Union Central..	1,343,290	5,993,212	7,336,502	1,481,441	600,602	234,934	985,259	19.85	44.71	6.42	13.18	
Union Mutual..	362,014	1,752,538	2,114,552	685,214	212,643	114,498	327,142	31.80	58.74	6.53	15.16	
United States..	185,555	1,212,315	1,397,870	457,532	108,959	90,901	199,860	32.42	58.72	7.50	14.68	
Washington....	476,939	2,167,555	2,644,494	916,623	205,144	141,376	346,521	33.53	43.61	6.52	12.18	
Totals.....	\$58,413,252	\$257,873,730	\$321,758,566	\$72,290,222	\$25,370,544	\$15,706,476	\$41,077,020	22.47	43.43	6.09	12.77	
Industrial Cos												
John Hancock..	\$ 1,663,119	\$11,889,809	\$13,552,928	\$ 5,165,944	\$ 746,685	\$2,325,308	\$3,071,993	37.92	44.90	19.56	22.55	
Metropolitan...	7,114,472	43,671,281	50,785,753	18,891,979	2,013,420	7,525,266	9,538,687	37.18	28.30	17.23	18.77	
Prudential....	8,446,317	32,679,939	41,126,256	15,242,563	3,894,823	3,934,861	7,829,674	37.03	46.11	12.05	19.62	
Totals.....	\$17,223,909	\$88,241,031	\$105,588,970	\$39,300,487	\$ 6,654,936	\$13,785,425	\$20,440,355	37.22	38.64	15.62	19.36	
Grand Totals.	\$79,453,306	\$368,451,904	\$453,576,789	\$116,907,390	\$33,667,327	\$30,705,462	\$64,372,790	25.77	42.36	8.33	14.19	

* The renewal premiums of safety Fund Department are included in this total.

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.

1453.—D. J. K., Ottawa.—The insurance companies you mention are perfectly solvent, and you need have no concern about the value of your life insurance policies. The recent troubles of the Equitable have no bearing on the financial strength of the society—which is a rich and powerful institution.

* * * *

1454.—O. B. M., Halifax.—(1) The next dividend on Toledo will be due on 1st November. (2) The stock you mention is purely speculative and the recent report on the mine was not unfavourable. We would not be inclined to purchase it at any price.

PROMINENT TOPICS.

BANK DIVIDENDS AND GAZETTE NOTICES.—The following shows the net profits made in last half-year, or year of banks whose statements have been recently issued:—

Bank.	Profits.	Per cent. on capital.
Merchants' Bank of Canada....	\$649,237, year	10.82, year
Imperial Bank of Canada.....	510,951, "	17.03 "
Union Bank of Canada.....	382,173, "	15.28 "
Sovereign Bank.....	133,975, "	10.30 "
Ontario Bank.....	152,583, "	10.17 "
Traders' Bank.....	287,144, "	11.34 "
Eastern Townships.....	167,854, "	13.37 "

The Home Bank of Canada, Toronto, will commence business in August, when the old title, "Home Savings and Loan Co., will become obsolete. The bank will open with deposits of \$3,500,000. The Sovereign Bank has decided to pay 6% per annum in future.

The Bank of New Brunswick will pay a 6% dividend for half-year on 10th July.

The Metropolitan Bank has declared a dividend of 2% for the quarter ending 30th June, payable on 3rd July.

* * * *

DETROIT UNITED RAILWAY.—As was intimated, this stock has been placed on a 5 per cent. basis instead of 4 per cent., as in the past. It is, therefore, on the same dividend basis as the Toronto Street Railway. Since March, 1901, dividends at 4 per cent. have been paid on a capital of \$12,500,000, without any break. The surplus for 1904 is given as \$745,740. The gross earnings were \$4,541,805, and the net earnings, \$1,821,490.

MEXICAN LIGHT, HEAT AND POWER Co.—It is stated that the \$6,000,000 bond issue of the new Mexican Electric Light Co., Ltd., has been nearly all underwritten at 90 and the majority of the stock has been taken by Canadians. The object is to secure control of all the light and power companies in Mexico. Interest on the bonds is guaranteed by the Montreal Light, Heat & Power Co., at 5%. Mr. Jas. Ross is president of both companies.

* * * *

CANADIAN CAPITAL FOR CANADA.—We should like to see these enterprising Canadians develop one or more industries in this Dominion. There is no reason why it could not be done as advantageously as in Mexico, for capital is all that is requisite to ensure the rapid development of Canada. The money for these Mexican enterprises is supplied by Canadian banks, which suggests comments that will not fail to be made.

* * * *

FIRE PROTECTION.—At the meeting of the Council of the Montreal Board of Trade, held on Wednesday, Mr. F. H. Mathewson, chairman of the committee on fire insurance rates, suggested, in view of the failure of the City Council, to improve the fire protection of the city, and the certainty that until this were thoroughly done, there would be no reduction in rates, that a special meeting of the Board of Trade be called to ventilate this subject.

* * * *

EQUITABLE LIFE.—A copy of the preliminary report of the investigation into the management of the Equitable Life has been received from the Hon. Francis Hendricks Superintendent of Insurance, New York State. We regret that, as we were just going to Press when this was received, that we have no time to give details.

The report deals severely with Mr. J. H. Hyde and other directors. It suggests that at the next session the State Legislature should take into consideration the investment of life companies and establish a standard, therefor.

During the investigation, a change was made in the stock control of the society and 3 trustees were empowered under a deed of trust to partially mutualize the company, by providing that 28 directors be elected by the policy-holders and 24 by the stockholders.

This arrangement Superintendent Hendricks thinks does not go far enough. He considers that stock control ought to be completely eliminated, as well as Wall Street control.

The report is dated 21st June, 1905.

* * * *

WOULD MUTUALIZATION BE A SUCCESS?—Of this, there is some doubt in the form as proposed, or even whether an absolute mutualization scheme would work well.

LIFE COMPANIES' SECURITIES.—One thing is certain, which is that the securities in which the savings of the people are invested, should be strictly defined, and limited to a class of securities that are wholly devoid of the speculative element, and a law passed to this effect in the Dominion as well as United States.

Investments of trust funds of the most sacred character ought to be only made in the most conservative, the soundest securities. Safety ought to be the first and dominant consideration and rate of interest the second. We fear the latter feature outweighs the former in the case of some life companies.

* * * *

GOVERNMENTS INCONSISTENT.—We cannot but regard the conduct of certain governments as most inconsistent. On the one hand, they pass a law basing interest earnings on reserves of life companies at the conservative standard of 3½ per cent., thus indicating that the class of their securities are expected to be of the highest grade. Then, on the other hand, they grant such wide powers for investing these funds as leads to the placing life insurance funds in securities of a speculative character. Such inconsistency is much to be deplored.

* * * *

HIGHLAND CADETS.—We are pleased to find that the effort to insure the continuance of the Corps of Highland Cadets is likely to succeed. The sum of \$1,500 is needed, of which one-half is understood to be promised. Unfortunately, the Government cannot give a grant in aid, as these Cadet Corps are so numerous it would be impossible to subsidize them all. They are doing excellent work in preparing candidates who aspire to positions in the militia. The other corps are connected with schools, etc., but the Highland Cadets are youths who have to work, it is generally conceded, therefore, that the corps is especially worthy of support.

* * * *

MANUFACTURERS' ASSOCIATION.—The members of the Manufacturers' Association, now in England, have been royally welcomed and entertained.

They will be wise to avoid discussing politics at festive gatherings. The best service they can do Canada will be to lay plain facts as to our trade and its requirements, and our resources and openings for capital and settlers clearly and concisely before the British public. They should study closely the trade conditions of the old land, more especially the manufacturing methods employed. A great work can be done by these visitors if they act with wisdom.

* * * *

A BANK OFFICER, one Louis Belair, Teller in the Provincial Bank, St. Cuneonde, has disappeared and his cash is short \$3,200. Defalcations of bank officers are of exceedingly rare occurrence in Canada.

SHOP WINDOW WEDDINGS.—The performance of the marriage ceremony in a shop window in this city is an offence against public decency. To utilize so serious a ceremony for an advertisement is a scandal to all concerned. It is amazing that any minister of religion would take part in making a circus out of what is essentially a religious function.

* * * *

TIMELY CAUTION.—This is a growing time in Canada more especially in her great Northwest. There is, however, need for caution, for people seem to be getting a regular craze for investing in Northwest land, and there is just a risk that our merchants and others may tie up too much of their funds and thus hamper their business to a more or less degree. At the same time, there can be no doubt about the future growth and prosperity of the Northwest, but it is not wise to go too fast. No prosperous has ever yet occurred without developing such conditions as have brought on a reaction.

PERSONALS.

MR. JOHN H. FULTON, cashier of the Commercial National Bank of New Orleans, has been in Montreal during the last few days, having brought his family North for the summer. Mr. Fulton, who is well remembered by Montreal business men with whom he was brought in contact during his connection with the Canadian Bank of Commerce in this city, was warmly welcomed by his old friends. We had a pleasant visit from him and were glad to see him looking so well. He is returning to New Orleans to-night.

MR. LANSING LEWIS, manager for Canada of the Caledonian Insurance Co., returned to Montreal this week from Edinboro', Scotiand, where he attended the Centennial meeting and banquet of the Company by invitation of the directors.

Mr. Lewis states that, the British Companies seem to feel very keenly the very active competition for large premium income. They also feel very much chagrined at the continual heavy losses in Canada.

The number of travellers (he informs us,) who prefer travelling by slow boats, when crossing the ocean, are steadily increasing, owing to the very fatiguing effects of the vibration on the fast boats. Mr. Lewis seems to have made a record passage from New York to Edinboro', having left the former at mid-day on a Thursday, and arriving for breakfast in Edinboro' on the following Thursday morning.

MR. E. EMORY WARFIELD has been appointed manager of the Royal for Pennsylvania, New Jersey, Delaware, Maryland and Virginia, in which fields he has already done valuable service to that company.

MR. ROWAN LEGG, manager of the Mattawa branch of the Bank of Ottawa is on a visit to Montreal, where he was accountant of the local branch.

MR. EDMOND B. HILES has been appointed sole manager of the fire business of the Royal Exchange, London, Eng., in succession to Mr. E. H. Britton who retires on a pension after long service.

MR. ARTHUR SWINFORD, who has been acting manager of the Bank of Commerce at Elgin, has been appointed manager of the new branch at Louise Bridge, one of the growing suburban districts of Winnipeg.

Notes and Items.

AT HOME AND ABROAD.

MONTREAL CLEARING HOUSE.—Total for week ending June 22, 1905—Clearings \$23,644,502; corresponding week 1904, \$19,691,850; 1903, \$24,060,836.

OTTAWA CLEARING HOUSE.—Total for week ending June 15, 1905—Clearings, \$2,353,810; corresponding week last year, \$2,022,890.

ANOTHER STRANGE CASE is that of a bank clerk in the States who is charged with robbing the safe and then blowing it open with dynamite to give the appearance of a burglary.

WAGES IN GERMANY OF STREET CAR CONDUCTORS.—The American Consul at Frankfort reports that the conductors on electric cars in Germany commence at 83 cents per day, and are advanced through 9 grades up to \$32.14 per month. The service is a municipal one. The pension insurance system in force in Germany is held to be some compensation for such low wages.

AN ADJUSTER formerly in the employ of the Aetna Insurance Company, was sentenced on 14th inst. to a term in the Elmira Reformatory, having been found guilty of stealing \$160 by making a claim for an accident that never occurred. Is it not marvellous that men will ruin their lives for the sake of gains, which, however large, are contemptibly small compared with what they sacrifice by dishonesty.

VALUE OF THE PRESS.—Mr. J. A. Jackson, of the literary department of the Mutual Life of New York, at a dinner of the Life Underwriters' Association, said of the Press: "A single point may be worth the year's subscription. It may be only an item of statistics, an act of legislation, a court decision, a suggestion as to agency management, something concerning a competing company—at once invaluable and yet avoidable in honourable competition, or possibly the exposure of an alluring assessment or 'get rich quick scheme,' coming just in time to be of service to manager or agent in closing an important case."

THE LONDON ASSURANCE CORPORATION'S report for 1904 shows that in the life department 607 policies were issued for £407,974 at premiums of £14,917. The net premium income was £170,886, against £165,820 for 1903, and the life funds on December 31 last amounted to £2,222,750. Interest earned was at the rate of 4 1/8 per cent. In the fire department the premiums were £554,204, compared with £513,086 in the previous year. The losses were £299,222, being 53.9 per cent. of the premiums, and the total expenses and commission were 35.6 per cent., against 35.9 per cent. in 1903. After increasing the fire fund by £10,000 to £720,000, being about 130 per cent. of the premium income, the sum of £72,159 was carried to profit and loss. In the marine department the net premiums were £247,463, against £246,531 in 1903, and the total expenses and commission were £46,715, against £47,384. The interest receipts were £9,052. After transferring £21,000 to profit and loss, the marine account was increased from £258,280 to £296,040. From profit and loss account £50,000 is transferred to general reserve, increasing this fund to £500,000, and £10,000 is transferred to investments reserve, raising this latter account to £40,000. The total assets on December 31 were £4,491,483, as compared with £4,363,570 a year before.

STOCK EXCHANGE NOTES.

Wednesday, p.m., June 21, 1905.

Although the market this week has been dull, quotations remained firm, and to-day trading broadened and prices advanced. The level at which stocks closed shows a general gain over prices a week ago. Detroit Railway was again the most active security, but Dominion Iron Common ran at a close second. Dominion Iron securities have all advanced. This gain has been accompanied by rumours as to the position of the Company and the probabilities of a resumption of the dividend on the Preferred Stock. One story is that dividends will be resumed on the 1st October next at the rate of 8 per cent. per annum instead of the 7 per cent. called for under the cumulative clause, the past dividends being thus reduced at the rate of 1 per cent. per annum. A reorganization of the Company's finances is discussed. However much truth there may be in these rumours, it is impossible to say, but there seems reason to believe that the earnings of the Company are showing improvement, and as usual in the stock market, the future is commencing to be discounted by the advance in the securities. Detroit Railway as anticipated has been placed on a 5 per cent. dividend basis and 1 1/4 per cent. will be payable on August 1st. The recovery in Dominion Coal Common, which was so marked last week, has continued, and a further advance of over 4 points has taken place. Buying in this security has been accompanied by rumours of English buying, based on its future prospects. Nova Scotia Steel Common has been neglected, and the price has reacted over two points from the high point reached on the recovery from the recent break to 5 1/4.

The call money market in Montreal remains unchanged, the bank rate continuing at 4 1/2 per cent. In New York call money was in ample supply at 2 1/4 per cent., while the rate in London to-day was 1 1/4 per cent.

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

	Market.	Bank.
Paris.....	1 1/2	3
Berlin.....	2 1/2	3
Amsterdam.....	2 1/8	2 1/2
Vienna.....	3	3 1/2
Brussels.....	2 1/2	3

C. P. R. closed with 151 bid, a fractional decline from last week's closing quotation. There was only one sale to-day, 25 shares changing hands at 151 1/4. The total transactions of the week were limited to 425 shares, while 2 shares of the New Stock were dealt in. The earnings for the second week of June show an increase of \$5,000.

The Grand Trunk Railway Company's earnings for the second week of June show a decrease of \$48,747. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day.
First Preference.....	108 1/2	108 1/2
Second Preference.....	98 1/2	98 1/2
Third Preference.....	49 1/2	49 1/2

Montreal Street Railway sales amounted to 376 shares, and the closing bid was unchanged from a week ago at 218. The last sales were made at 218 1/2. The earnings for the week ending 17th inst. show an increase of \$2,254.85 as follows:—

		Increase.
Sunday.....	\$4,513.66	\$4,008.62
Monday.....	8,012.17	490.90
Tuesday.....	8,288.39	764.35
Wednesday.....	8,177.18	1,103.30
Thursday.....	8,764.62	1,398.03
Friday.....	8,814.52	1,447.93
Saturday.....	9,386.13	1,058.96

*Decreases.

Toronto railway which is now selling X. D. of 1 1/4 per cent. closed with 106 X. D. bid, equivalent to an advance of 1 full point for the week and 185 shares were dealt in. The earnings for the week ending 17th inst show an increase of \$5,796.70 as follows:—

		Increase.
Sunday.....	\$4,809.66	\$ *327.29
Monday.....	7,554.68	951.28
Tuesday.....	7,510.74	991.97
Wednesday.....	7,920.94	898.09
Thursday.....	7,717.34	1,179.16
Friday.....	7,507.66	713.68
Saturday.....	10,458.75	1,389.81

*Decrease.

Twin City has strengthened and closed with 111 bid, a gain of 1/2 point for the week. The trading was limited and during the week 295 shares changed hands. The earnings for the first week of June show an increase of \$5,542.40. The Rights are now selling at 1/2, which will make the new stock cost 110, each 1/2 on the quotation, for the Rights being equivalent to 2 1/2 points advance in the stock, it taking 20 Rights to entitle the buyer to obtain 1 new share.

Detroit Railway sold up to 94 1/2, and closed with 93 1/4 bid, an advance 1 1/2 points for the week. The stock was actively traded in and 4,515 shares figured in the week's business. The earnings for the second week of June show an increase of \$8,347.

There were no transactions in Halifax Tram this week.

Toledo Railway was traded in to the extent of 410 shares, the last sales being made at 34 1/2. The stock was offered at 34 1/2 at the close and there was no bid.

Havana Electric closed with 14 3/4 bid, and the last sales were made at 15. The transactions of the week involved 365 shares. In the Preferred Stock 50 shares were traded in, the last sales being made at 53.

R. & O. closed with 71 1/2 bid, and 82 shares were traded in during the week, the last sales being at 72.

Mackay Common closed with 40 bid, a fractional decline of 1/8 point from last week on sales of 275 shares. The Preferred stock is firmer and closed with 73 bid, but only 40 shares were dealt in during the week.

Montreal Power sold up to 91 1/2, an advance of 2 points for the week, and closed with 91 1/4 bid, and 1,037 shares came out during the week.

There were no transactions in Montreal Cotton and the stock closed with 112 bid.

Dominion Iron Common sold up to 24 and closed with 23 3/4 bid, an advance of 1 1/2 points for the week, on sales of 4,205 shares. The Preferred Stock advanced to 74 and closed with 73 3/4 bid, a gain of 6 1/4 points over last week's closing quotation and 1,077 shares were traded in. The Bonds were in good demand and sold up to 87 1/2, closing with 87 bid and \$172,000 were dealt in.

Dominion Coal Common shows a further gain of 4 1/4 points, closing with 80 1/2 bid, and this advance was made on a business of 437 shares. The sales in the Preferred stock totalled 13 shares, and in the Bonds \$4,500 were dealt in at 99.

On sales of 400 shares Nova Scotia Steel Common declined to 56, and closed with 56 1/4 bid, a net loss of 1 1/4 points from last week. There was one sale of the Preferred Stock, 25 shares changing hands at 112, while \$1,000 of the Bonds were dealt in at 110 1/4.

	Per cent.
Call money in Montreal.....	4 1/2
Call money in New York.....	2 1/2
Call money in London.....	1 1/2
Bank of England rate.....	2 1/2
Consols.....	90 1/2
Demand Sterling.....	9 1/2
60 days' Sight Sterling.....	9 1/2

* * * * *

Thursday, p.m., June 22, 1905.

Detroit Railway was the feature of to-day's market and was very active, and after selling up to 97, the stock gradually reacted and the last sales were made at 94 1/2, the closing quotation being 94 1/2 asked and 94 bid. Montreal Street Railway also came into prominence and advanced from 219 in the morning to 222 1/4. Pacific was strong, selling between 151 1/2 and 152 1/4, while Montreal Power was steady around 91 1/2. Dominion Iron Common reacted in price, selling down from 23 1/2 to 22 3/4. A good general business was transacted, and the sales in detail will be found below.

* * * * *

MONTREAL STOCK EXCHANGE SALES

THURSDAY, JUNE 22, 1905.

MORNING BOARD.

No. of Shares.	Price	No. of Shares.	Price
35 C.P.R.....	151 1/2	100 Detroit Ry	94 1/2
75 "	151 1/2	5 "	95
100 "	151 1/2	50 "	94 1/2
75 "	151 1/2	50 "	94 1/2
25 "	152	15 "	95
100 "	152	200 "	94 1/2
1 "	151	200 "	94 1/2
100 "	152 1/2	25 "	94 1/2
50 "	152 1/2	50 "	94 1/2
25 "	152	150 "	94 1/2
50 Toronto Ry.....	106 1/4	100 Toledo	34 1/2
100 "	106 1/4	85 "	34 1/2
5 "	105 1/2	25 "	34 1/2
25 Detroit Ry.....	96	25 "	34 1/2
25 "	97	50 Street.....	219
75 "	96	2 "	218
100 "	95 1/2	6 "	219
177 "	95 1/2	50 Soo Com.....	120 1/2
325 "	95	504 Twin Rights.....	1/2
200 "	94 1/2	125 Power	91 1/2
25 "	94 1/2	25 Scotia Com	57
325 "	94 1/2	100 Iron Com.....	23 1/2
75 "	94 1/2	50 "	23 1/2
25 "	95	50 "	23 1/2
175 "	94 1/2	50 "	23 1/2
150 "	95	5 "	23 1/2
50 "	95 1/2	100 "	23 1/2
75 "	94 1/2	100 "	23 1/2
305 "	95	75 "	23
15 "	95 1/2	35 " Pfd.....	74
75 "	94 1/2	8 Textile Pfd	85 1/2
25 "	95	110 Bank of Commc	105 1/2
50 "	94 1/2	1 Switch Pfd	115
60 "	95	86 Telephone Rights....	3 1/2

AFTERNOON BOARD.

100 Street.....	220	25 Mackay Pfd	73 1/2
50 "	221	160 Twin Rights.....	1/2
50 "	222	200 Telephone Rts.....	3 1/2
8 "	220	5 "	3 1/2
25 "	222 1/2	4 Ogilvie, Pfd.....	140
50 "	222 1/2	20 Bell Telephone ...	154 1/2
25 Power	91	15 Toledo	35
50 "	91 1/2	5 New C.P.R.....	150
215 Detroit	94 1/2	25 Mont. Cotton.....	115
75 "	94 1/2	175 Iron Com.....	23
125 "	94 1/2	50 "	23 1/2
25 "	94 1/2		

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
April 30	\$10,821,323	\$9,391,628	\$10,181,415	\$1,089,787
Week ending.	1903.	1904.	1905.	Inc. Dec. 28, 067
May 7	\$673,720	\$647,978	\$619,911	1,173
14	619,570	656,660	657,842	47,658
21	647,923	695,828	648,170	"
31	972,340	976,080		

CANADIAN PACIFIC RAILWAY.				
Year to date.	1903.	1904.	1905.	Increase
May 31	\$17,157,000	\$17,008,000	\$18,753,000	\$1,745,000
Week ending	1903.	1904.	1905.	Increase
June 7	\$926,000	1,018,000	972,000	Dec. 46,000
14	908,000	987,000	992,000	5,000

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	859,854	1,182,827	331,973
April	1,493,173	412,533	531,806	119,273
May	1,383,357	1,391,505		
June	1,246,055	1,449,911		
July	1,318,527	1,449,652		
August	1,434,102	1,527,930		
September	1,202,266	1,268,808		
October	1,654,027	1,566,114		
November	1,477,981	1,669,575		
December	1,581,145	1,662,669		
Total	15,708,799	13,689,804		

CANADIAN NORTHERN RAILWAY.				
GROSS TRAFFIC EARNINGS.				
July 1st, 1902 to	July 1st, 1903 to	1904.	1905.	Increase
June 30, 1903	June 30, 1904			
\$2,304,450	\$3,124,800			\$820,350
Week ending.	1904.	1905.	Increase	
June 7	64,100	82,400	18,300	
14	67,900	84,800	16,900	

DULUTH, SOUTH SHORE & ATLANTIC.				
Week ending.	1903.	1904.	1905.	Increase
May 7	\$51,445	42,606	54,969	12,273
14	53,387	41,549	57,796	16,247
21	56,853	44,060	59,657	15,597
31	85,400	56,047	82,189	26,142
June 7	59,895	50,051	53,392	3,340

MONTREAL STREET RAILWAY.				
Month.	1903.	1904.	1905.	Increase
January ..	\$ 168,883	\$ 182,386	\$ 201,096	18,710
February ..	139,065	167,023	184,132	17,100
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, 68
June	205,454	229,505		
July	212,337	223,137		
August ...	208,586	226,764		
September.	212,156	216,295		
October ...	204,452	219,633		
November.	187,930	201,147		
December.	187,780	208,428		
Week ending.	1903.	1904.	1905.	Increase
June 7	48,766	48,134	53,274	5,140
14	45,879	58,959	53,005	47

TORONTO STREET RAILWAY.				
Month.	1903.	1904.	1905.	Increase
January ..	\$ 161,938	\$ 179,360	\$ 196,970	\$17,610
February ..	146,539	168,904	185,377	16,473
March	159,943	183,643	207,014	23,371

*Strike. † Spanish Billver.

TORONTO STREET RAILWAY

Month	1903.	1904.	1905.	Increase
April	\$162,276	183,763	\$201,317	\$17,554
May	174,519	198,337	225,768	27,431
June	177,593	207,482		
July	192,629	211,356		
August ...	185,822	217,887		
September.	237,010	246,862		
October ...	183,810	202,344		
November.	174,039	198,150		
December.	199,115	213,662		
Week ending.	1903.	1904.	1905.	Inc.
June 7	41,272	49,768	50,8 4	1,116
14	37,432	46,822	51,614	4,792

TWIN CITY RAPID TRANSIT COMPANY.

Month.	1903.	1904.	1905.	Inc.
January ..	\$310,084	\$329,354	\$349,469	20,114
February ..	280,947	310,180	319,811	9,631
March	317,839	338,580	359,884	21,304
April	315,465	332,615	352,729	20,114
May	337,699	358,344	387,645	29,301
June	346,018	365,897		
July	362,702	383,224		
August ...	363,579	386,629		
September.	370,349	371,476		
October ...	346,673	365,938		
November.	333,454	352,433		
December.	357,452	374,738		
Week ending.	1903.	1904.	1905.	Inc.
June 7	\$83,982	\$84,560	\$90,102	\$5,542

HALIFAX ELECTRIC TRAMWAY CO., LTD.

Railway Receipts.				
Month.	1903.	1904.	1905.	Inc.
January ..	\$10,867	10,677	\$10,256	Dec. 421
February ..	9,322	9,894	7,186	" 2,705
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		
July	15,942	17,528		
August ...	16,786	17,402		
September	16,494	17,862		
October ...	12,055	12,434		
November	11,220	11,085		
December	12,160	12,163		
Week ending.	1903.	1904.	1905.	Inc.
June 7	\$2,566	\$2,910	\$2,720	Dec. 190
14	2,575	2,952	2,839	" 113

Lighting Receipts.

Month.	1903.	1904.	1905.	In.
January ..	\$13,863	\$ 16,317	\$ 15,667	Dec. 650
February ..	11,924	14,227	14,180	" 47
March	10,523	12,718	12,719	" 1
April	10,156	12,116	11,964	" 152
May	9,020	9,756		
June	8,368	8,998		
July	8,351	8,952		
August ...	8,226	9,596		
September	10,781	11,720		
October ..	13,186	14,209		
November	14,200	16,273		
December	16,611	17,684		

DETROIT UNITED RAILWAY.

Week ending	1904.	1905.	Increase
June 7	\$87,045	97,532	10,487
14	91,318	99,665	8,347

HAVANA ELECTRIC RAILWAY CO.

Week ending	1904.	1905.	Increase
June 5	\$32,750	39,265	6,515
12	32,479	39,979	7,505
20	31,860	39,215	7,35

STOCK LIST

Reported for THE CHRONICLE by R. Wilson-Smith & Co., 160 St. James Street, Montreal. Corrected to June, 21st., 1905, P.M.

Table with columns: BANKS, Capital subscribed, Capital paid up, Reserve Fund, Per centage of Rest of Paid up Capital, value of one share, Market value of one share, Dividend for last half year, Revenue per cent. on investment at present prices, Closing prices per cent. on par, When Dividend payable.

Quarterly. Bonus of per cent. These figures are corrected from last Govt. Bank Statement APRIL 20th., 1905.

STOCK LIST—Continued.

BONDS.	Rate of Interest per annum	Amount outstanding.	When Interest due	Where Interest payable.	Date of Redemption.	Latest quotations.	REMARKS.
Commercial Cable Coupon	4	\$18,000,000	1 Jan. 1 Apl.	{ New York or London	{ 1 Jan., 1907.	96	
" Registered	4		1 July 1 Oct.				
Can. Colored Cotton Co.	6	2,000,000	2 Apl. 2 Oct.	Bank of Montreal, Montreal	2 Apl., 1902.	98	
Canada Paper Co.	6	200,000	1 May 1 Nov.	Merchants Bank of Can., Montreal	1 May, 1917.		
Sell Telephone Co.	5	2,000,000	1 Apl. 1 Oct.	Bank of Montreal, Montreal	1 Apl., 1925.		
Dominion Coal Co.	6	2,433,000	1 Meh. 1 Sep.	Bank of Montreal, Montreal	1 Meh., 1913.		Redeemable at 110
Dominion Cotton Co.	4 1/2	\$ 808,200	1 Jan 1 July		1 Jan., 1918.		Redeemable at 110
Dominion Textile Co. Series A	4 1/2	758,500					do 105 after 5 yrs
do do B	6	1,164,000					Redeemable at 105
do do C	6	1,030,000					Redeemable at 105
do do D	6	450,000					Redeemable at 110 & accrued interest
Dominion Iron & Steel Co.	6	\$ 7,876,000	1 Jan. 1 July	Bank of Montreal, Montreal	1 July, 1929.	87	Redeemable at 108
Halifax Tramway Co.	5	\$ 600,000	1 Jan. 1 July	Bk. of N. Scotia, Hal. or Montreal	1 Jan., 1916.		
Intercolonial Coal Co.	5	344,000	1 Apl. 1 Oct.		1 Apl., 1918.	106 1/2	
Laurentide Pulp	6	1,112,000				109	
Montmorency Cotton	5	1,000,000					
Montreal Gas Co.	4 1/2	880,074	1 Jan. 1 July	Company's Office, Montreal	1 July, 1921.		
Montreal Light, Heat and Power	4	7,500,000	1 Jan. 1 July	Bank of Montreal, Montreal	1 July, 1932.	102 1/2	Redeemable at 105 after Jan. 1st, 1911
Montreal Street Ry. Co.	5	292,000	1 Meh. 1 Sep.	{ Bank of Montreal, London, Eng.	1 Meh., 1908.		
" " "	4 1/2	681,333	1 Feb. 1 Aug.	{ " Montreal	1 Aug., 1922.		
" " "	4 1/2	1,500,000	1 May 1 Nov.	{ " "	1 May, 1922.	103	
Nova Scotia Steel & Coal Co.	6	2,500,000	1 Jan. 1 July	{ Union Bank, Halifax, or Bank of Nova Scotia, Mont'l or Tr'n'to	1 July, 1931.	107	
Ogilvie Flour Mill Co.	6	1,000,000	1 June 1 Dec.	Bank of Montreal, Montreal	1 June, 1932.	116	Redeemable at 110 after June 2
Richelieu & Ont. Nav. Co.	5	471,580	1 Meh. 1 Sep.	Montreal and London	1 Meh., 1915.	103	Redeemable at 110
Royal Electric Co.	4 1/2	\$ 180,900	1 Apl. 1 Oct.	Bk. of Montreal, Mont'l or London	Oct., 1914.		Redeemable at 110
St. John Railway	5	\$ 678,000	1 May 1 Nov.	Bank of Montreal, St. John, N.B.	1 May, 1925.		5 p.c. redeemable yearly after 1910
Toronto Railway	4 1/2	600,000	1 Jan. 1 July	{ Bank of Scotland, London	1 July, 1914.		
" " "	4 1/2	2,509,963	28 Feb. 31 Aug.		31 Aug., 1921.	103	
Windsor Hotel	4 1/2	340,000	1 Jan. 1 July	Windsor Hotel, Montreal	2 July, 1912.		
Winnipeg Elec. Street Railway	5	3,000,000	1 Jan. 1 July	Bank of Montreal, Montreal	1 Jan., 1927.	104 1/2	
Toledo Ry. & Light Co.	5	700,000	1 Jan. 1 July		1 July, 1912.		
" " "	5	5,185,000	1 Jan. 1 July		1 July, 1909.		
" " "	4	4,000,000	1 Jan. 1 July		1 July, 1900.		

[FIRE]
German American
 Insurance Company
 New York

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

AGENCIES THROUGHOUT CANADA.

MERCHANTS' BANK of CANADA

The annual general meeting of the Shareholders of the Merchants' Bank of Canada was held in the Board Room of that Institution yesterday at noon, when there were present:—Sir H. Montagu Allan, Messrs. Jonathan Hodgson, James P. Dawes, Charles F. Smith, Hugh A. Allan, Thomas Long, Charles R. Hosmer, Alex. Barnett (Renfrew), E. F. Hebden, Charles Alexander, Lieut.-Col. Prevost, Richard White, Fred. W. Evans, M. S. Foley, James Moore, Capt. Benyon, Michael Burke, James Crathern, F. E. Meredith, K.C., B. A. Boas, A. D. Durnford, James Williamson and John Morrison.

The proceedings were opened by Sir H. Montagu Allan, the president, taking the chair, and requesting Mr. C. N. Read, secretary of the Bank, to act as secretary of the meeting.

THE ANNUAL REPORT.

The President submitted the following report of the Directors:—

The Directors beg to present to the Shareholders the annual statement of the Bank's business as at 31st May last.

It will be observed that the earnings have fallen somewhat short of the previous year. This has been due in large part to the generally lower rates of interest prevailing at New York and other loaning centres.

The Directors have nevertheless been able, through recoveries realized in some of the securities formerly written down, to add \$200,000 to the Reserve Fund, in addition to writing \$50,000 off banking premises and making the usual contribution to the Officers' Pension Fund, carrying forward a balance to the credit of Profit and Loss account of \$73,197.20, which, they hope, will be gratifying to the Shareholders.

The office of General Manager having become vacant through the retirement of Mr. Thomas Fyshe, Mr. E. F. Hebden, the Superintendent of Branches and Chief Inspector, has been appointed Acting General Manager.

The various offices of the Bank have been inspected during the year.
All respectfully submitted.

H. MONTAGU ALLAN.

President.

The statement of the result of the business of the Bank for the year shows:—

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to	\$649,237 66
Recoveries from other Securities	90,000 00
The balance brought forward from last year ending 31st May, 1904 was	18,959 54
Making a total of	\$758,197 20
This has been disposed of as follows:—	
Dividend No. 72, at the rate of 7 per cent. per annum	\$210,000 00
Dividend No. 73 at the rate of 7 per cent. per annum	\$210,000 00
Written off Bank Premises Account	\$420,000 00
Contribution to Officers' Pension Fund	50,000 00
Added to Rest	15,000 00
Leaving a balance to be carried forward to next year of	200,000 00
	73,197 20
	\$758,197 20

LIABILITIES.

	1905.	1904.
		Last Year.
I.—To the Public—		
Notes in circulation	\$3,684,352 00	\$ 3,922,803 00
Deposits at Call	\$ 6,932,775 28	5,976,617 11
Deposits subject to notice	\$20,071,759 15	18,942,988 88
Interest accrued on Deposits	41,714 06	54,933 13
	\$20,113,473 21	
Deposits due to other Banks in Canada	1,943,368 24	995,514 27
	\$28,106,816 73	
Balance due to Agents in Great Britain		361,249 18
Dividend No. 73	210,000 00	210,000 00
Dividends unclaimed	423 50	407 50
	\$32,004,392 23	\$30,463,613 07
II.—To the Stockholders—		
Capital paid up	\$ 6,000,000 00	6,000,000 00
Reserve	3,400,000 00	3,400,000 00
Surplus Profits	73,197 20	18,959 54
	\$ 9,473,197 20	
	\$41,477,589 43	\$39,682,572 61

ASSETS.

	1905.	1904.
Gold and Silver Coin on hand	\$ 525,257 25	\$ 525,808 90
Dominion Notes on hand	2,944,964 00	2,698,861 00
Notes and Cheques of other Canadian Banks	1,551,067 30	1,303,139 56
Balances due by the other Banks in Canada	1,158 07	856 83
Balances due by Agents in United Kingdom	314,819 33	
Balances due by Banks and Agents in the United States	355,749 04	90,651 46
Dominion and Provincial Government Securities	637,999 01	638,997 01
Railway, Municipal and other Debentures	7,198,583 39	6,142,480 00
Call and Short Loans on Bonds and Stocks	5,293,215 52	5,631,836 53
Total assets immediately available	\$18,722,013 01	\$17,038,191 96
Current Loans and Discounts in Canada and elsewhere	\$21,436,778 43	
Less Rebate	163,619 22	
	\$21,273,158 81	\$21,202,541 08
Loans and Discounts over due (loss fully provided for)	196,295 14	248,805 00
Deposit with Dominion Government for security of Note Circulation	240,000 00	220,000 00
Mortgages and other Securities, the property of the Bank	163,374 55	123,539 78
Real Estate	744 81	4,652 14
Bank Premises and Furniture	873,270 69	818,330 97
Other Assets	18,732 52	10,381 60
	\$41,477,589 43	\$39,682,572 61

E. F. HEBDEN, Acting General Manager.

THE DISCUSSION.

The President—I do not think I have anything to add to the report, which I hope you will find satisfactory. I shall be very glad to answer any questions that the shareholders may wish to put with regard to the financial statement.

Mr. John Morrison expressed surprise at the absence of Mr. Fyshe, until recently general manager of the Bank, and asked if it were true that the Directors had given Mr. Fyshe a bonus of \$50,000?
The President—It is.

Mr. B. A. Boas remarked that there were various rumors on the street and in the public press to the effect that the Merchants Bank of Canada was to be merged with another bank, in a very short time. It was only once a year that the Shareholders had an opportunity of meeting the Directors and asking for an explanation of their stewardship, and he did not think he was asking too much when he desired information on this point.

Mr. John Morrison—The very best advice I can tender to the Bank is that it is best for the Bank of Montreal and this Bank to amalgamate as soon as possible. We are in the very best standing, by the report, upon which I cast no doubt, and for the benefit of banking in the Province the Bank of Montreal should amalgamate with this institution at once. We should save the expense of sixty branches.

The President—I am very sorry indeed that Mr. Fyshe is not here to answer for himself. You are, no doubt, aware that Mr. Fyshe has done a great deal for the Bank in the past. It is in a much sounder position today than I think, ever in its history, and this is largely due to Mr. Fyshe. Latterly, he has been falling in health, and he thought, or we all thought, it better he should resign, and he did so a short time ago. I do not think the Shareholders would be interested very much, or that it would be wise to go into the whole details of why he resigned or what happened. It took a good while, but, however, that is an end of it, and I think you will agree with me that is all that need be said. We have to thank him very much for what he has done.

As regards the amalgamation rumors, it does not do to believe everything you see or hear, and I think the less said about the matter the better. If there was anything in it, it would be a great mistake to discuss it now; if there is nothing in it, there is no harm done. Therefore, I think we will leave it that way.

Mr. John Morrison noted that in the financial statement, bank premises and furniture were valued at \$873,000, and he enquired of the President who was responsible, at first, for the establishing of branch banks and continuing a source of expenditure that cost the banks 1 per cent. on their capital every year?

The President replied that the Board was entirely responsible, and none of the Shareholders desiring to ask further questions, he moved, seconded by the Vice-President, Mr. Jonathan Hodgson:

ADOPTION OF THE REPORT.

"That the report of the Directors as submitted be and the same is, hereby adopted and ordered to be printed for distribution among the Stockholders."

This was unanimously concurred in, after which it was moved by the President:—

"That Messrs. John Morrison and James Williamson be appointed scrutineers for the election of Directors, about to take place; that they proceed to take the vote immediately; that the ballot shall close at 3 o'clock p.m., but if an interval of ten minutes elapse without a vote being tendered, the ballot shall thereupon be closed immediately."

This was adopted.

A vote of thanks was tendered the President for his conduct of the business of the meeting; and shortly afterwards the scrutineers reported that the following gentlemen had been duly elected as directors:—

- | | |
|-----------------------|--------------------|
| SIR H. MONTAGU ALLAN, | MR. C. F. SMITH, |
| MR. JONATHAN HODGSON, | MR. HUGH A. ALLAN, |
| MR. J. P. DAWES, | MR. C. M. HAYS |
| MR. THOMAS LONG, | MR. ALEX. BARNET, |
| MR. C. R. HOSMER, | |

The new Board of Directors met in the afternoon and Sir H. Montagu Allan was re-elected President, and Mr. Jonathan Hodgson Vice-President.

Correspondence.

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

LONDON LETTER.

FINANCE.

London, June 8, 1905.

A great many financial gentlemen believe very strongly that there is no better market in the world for shares made to sell than London. For shares made to keep, of course, any market is good. I am reminded that London has been pretty heavily loaded of late with companies, more or less new, of Canadian extraction, whose shares are apparently created for prompt unloading.

For example the San Paulo Tramway Light & Power Company—an enterprise operating in Brazil, but financed from Canada, attempted to issue long lines of its shares over here early in the year. The attempt was unsuccessful, as, in fact, were many of the others. But the fact remains that the good financial name of Canada is dragged considerably in the mire as a result of this kind of sharepushing. Feelers are now being put out to see if the time is ripe for selling here shares in some of the Canadian companies operating in Mexico, like the Mexican Light & Power Company. This company and others of the newcomers may be all that one could wish for in the way of investment, but as I have said, the "pitch" has been "queered" to a large extent, by some of their less worthy predecessors.

The whole tendency of the London market is towards increased strength, the only trouble at present, now that force seems assured, being the selling at London spe-

cialities from Paris. The Gallic investor appeared to think that he ought to sell something when the ally of his country was in such serious trouble in the Far East. Being unable by special Bourse regulations to sell a "bear" of Russian bonds, he sold Kaffirs. As an aid in this direction came some clever, but unduly alarming articles in "l'Economiste Français." In these it was alleged that the Rand mines are quite overvalued at current prices and that years must pass before any increase in value is justified by increased profit, making potentialities. This I do not agree with, but it produced a good deal of selling. This was soon absorbed by the "big houses." There is very little for the South African magnates to do nowadays beyond absorbing at low prices the shares they sold at much higher figures to the public years ago.

INSURANCE.

All the Canadian offices operating here are doing good business. Mr. Meikle at the seat of control in Change Alley leads the Western of Toronto into a wider publicity wherein I have no doubt lies great profits accrued and greater ones to come. What Mr. Meikle does not know about the marine and fire business is generally regarded up and down the City as not worth knowing.

The Canada Life reports increasing business, as also the Sun Life of Canada. These are now old stagers at the business, but the same good story can be told of the latest immigrant of them all, the Manufacturers' Life of Toronto.

All those concerns may be smaller than the colossal articles from the United States, but they are no whit behind them in enterprise and "go." Year by year they can be seen to expand and reach out to new circles of influence, and year by year they build up an army of friends.

ROYAL INSURANCE COMPANY

REPORT FOR THE YEAR 1904.

The Directors beg to report the results of the Company's operations for the year 1904.

FIRE DEPARTMENT.

The Fire Premiums after deduction of Reinsurances, amounted to **\$14,978,330**, and the net losses to **\$8,675,150**. Deducting Agents' Commission, and all Management Expenses, the surplus on the Fire business carried to Profit and Loss amounts to **\$1,090,750**.

FUNDS.

After providing for payment of the Dividend, the Funds of the Company will stand as follows, viz.:-

Capital paid up		\$1,959,435
Life Funds		44,294,340
Superannuation Fund		374,575
Fire Fund	\$7,000,000	
Reserve Fund	8,000,000	
Balance of Profit and Loss	3,682,275	
		\$18,682,275
		\$65,310,625

FIRE ACCOUNT.

1904.		1904.	
Amount of Fire Fund at the beginning of the year	\$6,000,000	Losses by Fire after deduction of Reinsurances	\$8,675,150
Premiums after deduction of Reinsurances	14,978,330	Commission	2,187,770
Amount transferred from Profit and Loss	1,000,000	Expenses of Management	3,024,660
		Surplus carried to Profit and Loss	1,090,750
		Amount of Fire Fund at the end of the year, as per Balance Sheet	7,000,000
	\$21,978,330		\$21,978,330

PROFIT AND LOSS ACCOUNT.

1904.		1904.	
Balance of last year's Account	\$4,331,895	Interim Dividend for 1904	\$587,820
Less Balance of Dividend for 1903	653,145	Income Tax	53,345
	\$3,678,750	Amount transferred to Fire Fund	1,000,000
Interest and Dividends not carried to other Accounts	\$665,545	Amount transferred to Superannuation Fund	75,000
Less Interest to Superannuation Fund	8,725	Balance carried forward	4,235,420
	\$656,820		
Transfer Fees	275		
Surplus from Fire Account	1,090,750		
Shareholders' Life Profits realized	625,000		
	\$6,051,600		\$6,051,600

ROYAL INSURANCE COMPANY.—Continued.

LIFE DEPARTMENT.

During the year 3,213 new Policies were issued for \$6,544,310, the corresponding Premiums being \$248,200. Of the sum assured \$325,720 was reassured with other Offices at premiums amounting to \$9,725. The Proposals declined during the period amounted to \$473,045. The total income from Premiums, after deducting Reassurances, amounted to \$3,305,450, and the Interest received from Investments, exclusive of that on the Annuity Fund, was \$1,494,920.

In the Annuity Branch the Purchase-money received for new Annuities, together with the Premiums on contingent Annuities, amounted to \$263,235, and the interest to \$103,570. Fifty Annuities expired during the year, the annual payments on which amounted to \$8,610.

The Quinquennial Valuation of the liabilities of this Department has been completed by Mr. Duncan C. Fraser, M.A., F.I.A., the Company's Actuary, and is based upon the recently published British Offices' Life Tables which afford the latest and most trustworthy data for estimating the mortality of Assured Lives and Annuitants. Full details in statutory form will be found in the accompanying Report, from which it will be seen that the surplus accruing to the Assured is \$3,314,695. This is sufficient to provide a Reversionary Bonus of \$15.00 per \$1,000 of assurance per annum, on all policies entitled to participate, and the payment of an Interim Bonus of \$10 per \$1,000 of assurance per annum in respect of the profit policies becoming claims previous to the 1st of January, 1910, which have been in force for two complete years.

LIFE ASSURANCE ACCOUNT.

1904.		1904.	
Amount of Life Assurance Fund at the beginning of the year	\$40,440,975	Claims under Life Policies including Reversionary Bonuses (after deduction of Sums Reassured)	\$2,739,315
Premiums after deduction of Reassurance	3,305,455	Surrenders	230,695
Interest	1,494,920	Bonuses in Cash	8,455
Assignment Fees	1,550	Commission	172,385
		Expenses of Management	231,480
		Shareholders' Proportion of Life Profits for the 5 years ending 31st December, 1904, carried to Profit and Loss Account	625,000
		Amount of Life Assurance Fund at the end of the year, as per Balance Sheet	41,235,570
	\$45,242,900		\$45,242,900

ANNUITY ACCOUNT.

1904.		1904.	
Amount of Annuity Fund at the beginning of the year	\$2,963,320	Annuities	\$261,500
Consideration for Annuities granted	263,235	Commission	5,970
Interest	103,575	Expenses of Management	3,890
		Amount of Annuity Fund at the end of the year, as per Balance Sheet	3,058,770
	\$3,330,130		\$3,330,130

\$5 taken as equivalent to £1 stg. in above.

Examined and found correct,

JAMES M. CALDER,
JOHN DEMPSTER,

Auditors.

LIVERPOOL, 25th May, 1905.

The Trust & Loan Company of Canada

STATEMENT OF THE ACCOUNTS FOR THE HALF-YEAR ENDING 31st MARCH, 1905.

Dr.	REVENUE ACCOUNT	Cr.
To Expenses in London and Canada, per Abstract	£ 7,565 9 9	By Interest account in London
Interest paid to Bondholders	18,014 3 2	Registration Fees
Interest on amount of Reserve Fund uninvested	156 14 5	Interest account in Canada
Stamps and Commission	704 2 8	
Retiring allowances	390 8 6	£40,420 9 0
Balance carried down, being Net Profit	13,676 10 6	
	<u>£40,420 9 0</u>	
To Reserve Fund for moiety of profits over 4 p. c. Dividend as provided by the Royal Charter of Incorporation, viz:— Profits per contra	£13,676 10 6	By Balance brought down, being the Net Profits for the Half year
6 p. c. Dividend	0,750 0 0	Balance 30th September, 1904
		Less Dividend and Bonus paid in Dec., 1904
Excess	3,926 10 6 one half of which is	
	1,963 5 3	19,611 6 4
Balance carried down	31,324 11 7	
	<u>£33,287 16 10</u>	
		Balance 31st March
		<u>£31,321 11 7</u>

Dr.	RESERVE FUND ACCOUNT	Cr.
Income Tax	£ 212 12 4	Amount of Fund, 29th September, 1904
Net Loss on realization of Securities in Canada	3,830 7 9	Interest on amount uninvested
Investments in hand, as per Balance Sheet	£159,911 2 2	Increase in Value of Investments
Uninvested	19,971 19 7	Moiety of surplus profits over 6 p. c. Dividend, as provided by the Royal Charter of Incorporation
Amount of Fund, 31st March, 1905, subject to deduction, as stated below, of £7,100	178,983 1 9	
	<u>£183,046 1 10</u>	<u>£183,046 1 10</u>

Dr.	BALANCE SHEET	Cr.
To PAID-UP CAPITAL	£ 325,000 0 0	BY CASH—
DEBENTURES	978,741 10 9	At Bank
RESERVE FUND (including £159,911 2s. 2d. invested as per Balance Sheet)	178,983 1 9	At Petty Cash
REVENUE ACCOUNT	31,324 11 7	On Deposit
SUSPENSE ACCOUNT	1,000 0 0	At Banks
EXCHANGE ACCOUNT	615 8 0	At Offices
INCOME TAX ACCOUNT	1,904 12 1 ⁰	
SUNDRY CREDITORS IN CANADA	8,517 18 4	£ 42,408 10 0
		INVESTMENTS—IN LONDON—
		(£76,079 9s. 5d.,
		National War Loan
		£40,000 Dominion of Canada
		4 p. c. Bonds (guaranteed)
		£6,304 12s. 2d. Metropolitan
		Board of Works 3½ p. c.
		Stock
		£3,069 13s. 2d. Transvaal
		Government 3 per cent.
		Guaranteed Stock
		5,183 0 8
		130,011 2 2
		£20,000 Canada Government
		3 per cent. Inscribed Stock
		19,600 0 0
		£10,000 Canada Government
		4 per cent. Inscribed Stock
		10,300 0 0
		159,911 2 2
		INVESTMENTS—IN CANADA—
		\$ c.
		Mortgages
		6,100,418 84
		Land Investments, &c. (properties bought
		in and held under foreclosure)
		57,300 00
		6,247,618 84
		SUNDRY DEBT IS—
		For Interest accrued and not
		due
		\$71,659 66
		Insurance Taxes, Re-
		pairs, &c.
		8,260 86
		Sundries
		2,381 63
		94,000 60
		N.B.—
		This Asset to be taken at £1,206,095 15s. 3d., \$6,342,219 43 = £1,303,185 15 1 ⁰ only, being a reduction of 7,100 0s. 0d. to cover "Estimated De- preciation."
		SUNDRY DEBTORS IN LONDON
		500 0 0
		MONTREAL OFFICE PREMISES
		4,808 4 4
		WINNIPEG
		10,363 6 0
		<u>£1,521,086 18 6</u>