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Russian Gold Reserve. Sir Howard Vincent took on himself to visit St. Petersburg to test whether the gold stated to be held by the Government was really in their possession. He visited the vaults of the State Bank and has reported that he saw gold in coin and in bars for all that is claimed. He was furnished with evidence that in his opinion, shows that the grand total of the reserve of gold in the State Bank of St. Petersburg in coin and in bars, in the provincial branches and treasuries, and in foreign banks amounted on that day to 1,050,136,455 roubles, or, taking the exchange at par, to £111,037,425 sterling, in currency $555,187,100, which sum Sir Howard Vincent regards as double the amount required to cover the note issues. He writes, "Access to the vaults, which are built throughout of solid masonry, without wood or inflammable substance, is only possible in the simultaneous presence of three out of four chief officials, whose seals are upon the sentry-guarded entrance gate. The outer walls are surrounded by a company of infantry. The gold coin is in large sealed bags, each containing four smaller bags holding 7,500 roubles. These large bags are stacked in long lines, easily counted to see that they conform to the sign tally. The bar gold is on grated shelves round the walls—a gap being at once noticeable.

"The Governor of the State Bank, his Excellency M. Timacheff, and the Director of the Issue Department, Mr. Hahn, who accompanied me with other officials, pressed me to select bags and bars of gold at random for counting, weighing, etc., etc.

So far so good. But as no one had thrown any doubt upon the Russian Government holding a large stock of gold, the verification of this fact was gratuitous and irrelevant to the only question in which financiers are deeply interested in this connection, which is, how far is the gold held at St. Petersburg really available for meeting the obligations of the Russian Government? Respecting this there is great anxiety not only amongst financiers but also in commercial circles in England where Russia's trade credit is under suspicion. The gold held in Russia is known to be largely the proceeds of loans for the re-payment of which this reserve gold is held. If Russia then goes on spending on credit, her borrowing power will be reduced, her gold reserves will be drained, the note issues will no longer have a gold basis but will become an inconvertible paper currency, and the finances of Russia will collapse. There can be no doubt that Russia needs peace to save her from a great monetary and trade disaster.

Total Abstinence And Longevity. Mr. J. G. Van Cise, actuary of the Equitable Life Assurance Society, has published a paper on "The Effect of Total Abstinence on the Death Rate," which presents a strong case in favour of entirely avoiding the use of alcoholic beverages, and of favourable rates being granted by life companies to those who so abstain. This position has been supported by Sir Frederick Treves, the renowned surgeon, who, on the 4th inst., delivered an address at the Church House, London, England, on "The Physical effects of the use of Alcohol," in which he said, "Alcohol, of course, is distinctly a poison. It had certain uses, like other poisons, but the limitations on its use should be as strict as on arsenic, opium and strychnia. It was a curiously insidious poison, producing effects which seemed to be only relieved by taking more of it—a remark which applied to another insidious poison, morphia, or opium. It had a certain position as medicine, but in the last 25 years its use by the medical profession had steadily and emphatically diminished. People were often heard to say that alcohol was an excellent appetizer when taken before meals. But the appetite did not need artificial stimulation; if the body wanted feeding it demanded food. As for its 'aiding digestion,' it hindered digestion even when taken in small amounts, as could be easily demonstrated. As a work producer it was exceedingly extravagant and might lead to physical bankruptcy without being used to excess." Even those who are not convinced that abstainers are better risks than others, or who doubt the absolute reliability of the actuarial arguments of Mr. Van Cise, cannot but be impressed with the emphatic declarations of Sir Frederick Treves which suggest the wisdom of exercising the utmost moderation in the use of stimulants.

BANKS AND BOND INVESTMENTS.

Financial journals in the States lately have freely criticised the policy of the American banks in largely increasing their investments in bonds. No exception is taken to bond investments by the Savings Banks, as it is admitted that, under certain restrictions, they can safely and properly put the bulk of their funds in bonds of a certain standard.

In Canada we have but the one class of banks, but across the line the banks are divided sharply into two classes. For several reasons the Savings Banks are treated entirely apart from the ordinary banks. The ordinary banks are patronized by business men who have a much higher intelligence in financial matters than is possessed by the workpeople and others who use the Savings Banks. The latter institutions are therefore regarded as being in a peculiar sense the wards of the Legislatures. Those who have charge of Savings Bank are restricted in the employment of their deposits. They may not invest as they like. Even in railroad bonds indiscrimnate purchases may not be made. Unless a railroad has paid dividends at a certain rate regularly for a term of years its securities are not eligible for the Savings Bank list. The ordinary banks have a greater freedom. It is with their funds that the day to day business of the country is transacted, crops raised and transported, manufactures carried on, goods of all kinds distributed.

In New York and other great monetary centres, these ordinary banks are divided again into two classes—financial banks and commercial banks. To the former falls the duty of financing the trading on the stock exchanges, the flotation of new securities, large loans to governments, cities, railroads, and other corporations, and, in fact, nearly all special undertakings which require at short notice large blocks of capital for use for a short or a long period. The commercial banks, as their name implies, are those identified with mercantile transactions.

In the criticisms refered to above the point taken is that the savings banks may invest altogether in securities, their liabilities being payable after notice and being moreover of a fixed or permanent nature, but that there are grave objections to an unduly large investment in securities by financial banks and commercial banks. Obviously the practice is less objectionable for the former than for the latter. Financial banks, which are constantly putting through deals in bonds have or should have knowledge of the merits and demerits of the various securities in the market. They are on familiar ground when buying and selling; but the objection is, that they are in danger of becoming too closely connected with the big manipulators and jugglers of the stock market. Some of them in New York are now finding this out to their cost. In spite of their great solidity and wealth they have lost a measure of the respect and confidence of the people. There is little doubt but that, had they not been so indisputably solid they would have been called upon lately to meet important withdrawals of deposits from this cause. Perhaps they have had to meet such withdrawals.

If the rapid increase in bond investments by financial banks is objectionable it can be easily shown that for surely commercial banks to put too much money in this form would be more objectionable still. The strongest argument against the practice is the fact that it withdraws capital from the commercial and puts it into the financial field. When banks have made heavy purchases of securities and regard them with satisfaction they are not so much disposed to consider favourably the propositions made to them by would-be commercial borrowers. Although they could sell securities and provide funds when urgently needed for mercantile purposes, not all of them would do so unless the remuneration offered was attractive, and usually it is not until conditions are somewhat upset that attractive rates prevail.

Turning to Canada we find the one class of chartered banks carrying on all the kinds of business done by the savings banks, financial banks, and commercial banks in the States. Our banks, in reality, are commercial banks. The collection and retention of the savings of the people is regarded as their proper function quite as much as the discounting of notes and the operating of mercantile current accounts. The large banks also attend to the big financial transactions required in Montreal and Toronto, and do it too without stinting the supply of credits placed at the disposal of trade and commerce. So far as our system of savings banks is concerned there cannot be any doub t that it has done good work for the Dominion. Practically all the savings of the people, except those held by the Government Savings Banks, and by the two savings banks of the Province of Quebec, have been used in the commercial development of the country. In the States the vast sums held by the savings banks have gone to help build railroads, to provide money for State governments, etc. Our railroads have been built and our provincial governments and cities have been financed largely on capital from abroad.

In The Chronicle of the 17th March the course of the Canadian bank investments in bonds for the last four years was given. The rate of increase has not been over-rapid. If the banks are judged according to American ideas then it might be said that, holding such large amounts of savings bank funds, they might very properly hold a great deal more than the $65,000,000 in bonds which they now own. The "Wall Street Journal," in discussing the matter, says that commercial banks, during a time of slack demand for money, might properly invest a moderate amount in good bonds, but that investments so made should not be regarded as permanent inasmuch as they represent a diversion of banking funds from their natural employment.

It is known to be the case that some of the Canadian banks have been induced to enlarge their bond investments because of the keen competition for commercial accounts. Large strong borrowers are much run after. The banks bid against each other for the privilege of making loans to them. Rates are cut, commissions reduced or waived altogether, and services performed for nothing. The effect of this has been to lower the revenue derived from mercantile business until it is in many instances but little higher than that which can be obtained from good bonds. As there is a much greater risk of loss from commercial loans than from bond investments judiciously made, it is natural that some bankers should turn their attention to the bond market more than they have done in the past, with the idea that they can possibly at some future time, take over from their rivals a great deal of first-class mercantile business on terms more favourable than can be had to-day. Others, no doubt, feel that it is wise at the present time to increase their bond holdings rather than to throw new funds into the competition for discount accounts. In this sense then the bond investments of the Canadian banks may be regarded as of a temporary nature. The bonds would be sold and the proceeds loaned to mercantile borrowers whenever the demand for credits becomes urgent enough to cause a rise in the rate of discount, or a more general willingness on the part of borrowers to accede to the demands of the bankers in the way of security for loans.

The Federal Supervision of Insurance was the subject of a lecture by Mr. Breckenridge, the well-known American lawyer, at Yale University on 5th inst., in which he argued strenuously that insurance is as much a part of modern commerce or navigation or transportation, and as inseparable from it "as vital motion is from vital existence." He is in favour of Federal Supervision, which he considers called for in the interests alike of the companies and policy-holders.

REBATING LIFE INSURANCE PREMIUMS.

By William Chubb.

(The Essay that won the R. Wilson-Smith Prize of $25 offered for competition by Associates of the Insurance Institute, Montreal).

I.

Life insurance is primarily a commercial venture intended to benefit every individual whose interests are involved. So vital and general—even national—are these interests, that it is recognized as being the duty of every state in which such enterprises exist to exercise the strictest supervision over them and to be assured of their absolute integrity. There is no other business so hemmed in by restrictive laws, so paternally regarded by governments, and in which the interests of the people are so carefully guarded. Nevertheless, evil practices have crept in, and of those one of the worst and most universal is that of Rebating, a practice that has justly subjected insurance workers to much scorn and sarcasm. This blot on the record of life insurance I propose to investigate as thoroughly as is possible in so short a paper, to discuss its causes, and to suggest a remedy.

In the first place I shall endeavour to show that rebating is of no advantage to anyone concerned, the company, the agent, or the assured.

As to the Effect upon the Company.

The experience of life insurance companies has proved that owing to the heavy expenses connected with procuring business the premiums received do not provide for the reserve and pay the cost of carrying the risk for the first few years, and that, in order that a policy may be profitable, it must remain in force for at least four or five years. Now, one direct effect of the pernicious practice of rebating is to increase heavily the lapses at the end of the first year; for many a man is induced by a rebate to take out more insurance than he can continue to pay for after the first easy year. When the second premium becomes due he will either lapse outright, thus inflicting a heavy loss on the business, or he will reduce the amount of his insurance, in which case the company will have been on a big risk for a microscopic premium. Moreover, the lapsing of these policies affects the business in a still more vital way. If the man lapses outright he is very likely a good risk, sure of passing another medical examination, and so living on another company in the same way for another year; while, if he decide to pay the much increased renewal premium, he may be influenced by the knowledge that he might not successfully pass a second examination. The result is that the company suffers in respect of mortality by keeping the worst risks on its books. This fact alone is sufficient indication of the dangerous nature of rebating, and furnishes good reason for the employment of drastic measures of suppression.

AS TO THE EFFECT UPON THE AGENT.

Very little need be said on this score. It is obvious that the sole gain to the agent is the credit he gets for the increased amount of business written by him. His monetary compensation is either cut in two or practically annihilated. His excuse is that others do it, and that he only adopts the practice when he cannot get the business by legitimate methods. Thus does the agent injure himself permanently to gain a temporary benefit, and thus also bring his calling into contempt.

And now, as to the value of rebating to the man assured.

On first thought it might seem difficult to show that a heavy rebate is of no value to the recipient. Nevertheless, this is true, as the following reasoning will clearly show:—

To find the net premium to provide for a death benefit involves no guess work. With the Mortality Tables now in use it can be exactly calculated. It is in no sense an arbitrary matter. It is a predetermined quantity. Now, it follows that if the first of the premiums paid be heavily rebated, the agent must be in receipt of a high commission and the company must lose unless this great expense is provided for. How is this done? Simply by loading up all the premiums on the policy. Therefore, although the assured thinks he is getting "a good thing," he is really "paying through the nose." It is just as true of life insurance as it is true of any branch of business—heavy discounts on one line of goods demand heavy profits on another. If the first premium is "slaughtered," to use a departmental store expression, the premiums, on the whole, must be made higher.

There is one man who suffers very unjustly in this matter, namely, the man who accepts and pays for his contract in good faith, without asking for a rebate. He is unfairly discriminated against under existing conditions, and is fleeced to help pay for the other man's risk.

II.

THE CAUSES OF REBATING.

The prevalent idea is that the agents alone are to be blamed for the rapid growth of this practice. But with this view I do not agree. I am persuaded that the responsibility for the present regrettable state of affairs lies almost wholly with the management of those great enterprises that cut so wide a swath in the field of life insurance, and I shall try to prove that in their actions may be found the prime cause of the abuse that has now attained so great proportions.

The chief aim of a life insurance company is to reach a financial position so sound that its contracts are absolutely certain to be fulfilled. Next in importance ought to be the protection of its policy-holders at the lowest possible cost, and to do this the business should grow in a natural and healthy manner. But how many companies do we see living up to this ideal? This truly vital consideration seems to have been disregarded and one which should be secondary and subservient preferred. The managers have been obsessed with the idea of procuring large amounts of new business, with little regard to cost. No price too great to satisfy an insatiable desire for an ever-increasing volume of business! Now I hold it to be beyond dispute that a forced business can be acquired only by exceptional measures involving heavy expense. What are the methods adopted to attain the end desired? Agents are allotted a great volume of business to be written in a given time—a volume far in excess of their former production—and high pressure methods applied to procure it. Excessive commissions are offered on new business, without regard to the adequacy of the premiums paid to support the cost and pay for the risk. Competitions are instituted between the agents and handsome prizes awarded the winners. Big bonuses are offered for a certain large amount of business to be secured in a given time. The result of all this is to put a premium on rebating. He who fails by a margin to accomplish the task set is tempted to pay the entire first year's premium on the amount by which he is short, knowing that the bonus or prize he will thereby earn will repay him handsomely for the sums disbursed. Other companies are forced to adopt similar means; competition runs riot, and rebating grows into universal practice. There follows naturally the unsightly record of enormous lapses in new business, convincing proof of unsound business principles. The factor of persistence, by which alone the company and the assured can hope to profit, is ignored. The method of granting excessive commissions on* first year's premiums not only enables the agent to allow large rebates, but also offers small inducement to him to prevent his clients from lapsing, all his energies being bent to secure new business.

*Since the above was written, there has appeared an article in the "Journal of Insurance Economics," which confirms the conclusions here reached. The article contains an analysis of the last thirteen years' business of the New York Life, and gives striking examples of two important arguments. (*a*) Out of $2,679,000,000 of new business placed during thirtee nyears, 44.2 p.c. disappeared from the books for other than natural causes of death and maturity. That is while the expense on the surface represents the cost of writing nearly $2,700 millions of business, it actually represents the cost of writing and maintaining, but 55.8 p. c. of that amount. (*b*) The failure of the infusion of so much new blood to improve the mortality experience, which has remained practically stationary. These results must, of course, be common to all those companies that are writing a forced business.

And beyond the injurious effect of the great proportion of lapses upon the business of the company, there follows a result still more deplorable in the eyes of many high-principled advocates of life insurance, to wit, the failure in so many cases of the policy to protect the family. The great argument used by the company managers in favour of a forced growth is the very one of extending the benefits of life insurance to the greatest possible number. Yet we see that unwise methods tend to nullify their efforts in that direction. But I think there is another explanation of their actions, one much nearer the truth, though by no means so flattering to themselves. I think we may blame an unrestrained ambition for the course adopted; the desire to be at the head of the greatest business enterprises in the world, and to pose before the public as Monarchs of Finance; to taste the sweets of satisfied ambition, and incidentally, to reap the increased rewards that would fall to their share.

I do not wish my words construed as an argument against a strong effort to procure new business. I do not commend the policy of those old established British companies that offer no commission and make no effort to enlarge their field. It is true that their expenses are very low as compared with those of the big concerns on this side of the Atlantic; but their business is too confined and they exhibit an ignoble desire to limit the benefits of life insurance, making no effort to reach the mass of the people. A company should grow, but present policy-holders should not be subjected to *unnecessary* expense in order to change a natural, steady stream of inflowing business into a rushing, tumbling torrent. That such principles are unsound is particularly shown in the effect upon new companies that have no large premium income or surplus funds from old established business to draw upon in order to meet expenses, and are forced seriously to impair their capital. In more than one case a new company has had to give up the struggle, and to echo the words of "valiant Jack Falstaff"—"I can get no remedy against this consumption of the purse; borrowing only lingers and lingers it out, but the disease is incurable."

Remedial and other measures.

Among the methods of dealing with the evils resulting from a too rapid expansion of business, is one that requires considerable actuarial knowledge, both to conceive and to practice. In order to offset the great inroad into the first year's premiums, the "Preliminary Term" feature was introduced into the contract. By this means is effected a postponement of almost the entire liability in the first year of insurance, as the company need provide no reserve at the end of that year, it being more rapidly accumulated in succeeding years. If competition were not forced, much might be said in favour of the preliminary term, but under existing conditions it is bound to aggravate the evil of rebating. The company that adopts this method can afford to sacrifice—and is strongly tempted to sacrifice—not only the first year's premium, but also a portion of the second premium, to meet expenses, and still show as good a surplus as those companies that reject this device.

It has been somewhat widely adopted in the United States, where it is declared legal, and has been found to relieve the pressure upon the companies to such an extent that in some quarters a two year preliminary term is being advocated. Now the question at once arises, Should practice determine actuarial methods, or actuarial science determine practice? The Preliminary Term is really a device in adopting which the actuary and the rebating agents join hands. It is an attempt to condone not to remedy, sorry conditions. Commissions continue to be excessive, the attendant abuse of rebating still continues to grow, and its consequent enormous ratio of lapses.

This state of affairs has become so evidently injurious to the business of life insurance, that the supervizing officials of many states are alarmed, and legislation has been introduced bearing heavy penalties for rebating. In some states, Louisiana for instance, the heroic measure was adopted of rendering a policy, on which a rebate could be proved, *ipso facto* null and void. In other States the penalties are less severe as regards the assured, but they bear heavily upon the agent. The Canadian Insurance Department frowned upon the preliminary term idea, but made no attempt at remedial legislation.

Unfortunately, it has proved impossible to enforce the anti-rebate laws, as no agent cares to accuse another of a practice in which he may wish to indulge in his turn. He also argues that such laws are too great an infraction of personal liberty. Their commissions, they say, are theirs to dispose of as they see fit. But they may be answered that the action of all laws is to restrain the individual that the general public may enjoy greater freedom, and if it is proved that rebating is a public injury, the law is justified.

It has been suggested that the payment of stated salaries in place of commissions might do away with rebating, but there is the great objection to this method that the agent is then satisfied to earn his salary, and makes no effort further to extend the business. If the method of salary and an additional bonus for extra business be employed, immediately we find the agent giving away a portion of that bonus in order to earn it. Indeed, the more this matter is investigated, the greater are the obstructions that loom up in the way of a complete solution. I recognize that it is too complex a subject to be discussed thoroughly within the limits of so short a paper. But I wish to point out a few of the difficulties to be overcome and to suggest a method of dealing with them.

In the first place, I repeat that a too keen competition is mainly responsible for the present magnitude of the abuse. This it is that compels the payment of so heavy a cost for new business. This is the root of the evil that has grown so widespread. Kill this root and the field of life insurance will be freed of the rank growth that is causing so much damage to the harvest. Let the aim of the companies be to popularize life insurance by reducing the cost to the public. The rates now charged are calculated to meet the present heavy initial expenses. Reduce these expenses and a proportionate reduction may be made in the premium rates. This can be accomplished only by bringing competition within healthy limits, thus avoiding the payment of excessive commissions.

Cognate with the question of a reduction of commissions and equally important in its bearing on the practice of rebating, is the method of distributing the first year's commissions over the next few succeeding years. Some companies have already taken action in this direction, but lack resolution enough to carry out the reform thorougly. Establishing a gradually decreasing commission on the first four or five years' premiums, to be then discontinued would tend to deter the agent from rebating; would act as an incentive to him to look after renewals until the policy would take care of itself; and be an inducement to procure new business, there being no renewal commission after the fourth or fifth year.

In the second place there has been a total lack of active co-operation on the part of the companies, and of the agents. The companies should take concerted action in this matter. There was once an Anti-Rebate compact between certain of the United States companies, but it died a natural death through inefficiency. Its scope was limited, only a few companies being represented, and the co-operation of agents was not secured. Yet there is a rapport among insurance companies that makes such action feasible. They are in touch as other business institutions are not. They might agree to introduce a clause in the application and in the insurance contract, making rebating rank at least with misrepresentation of health or age. They might also agree to insert a clause in each agent's contract, forbidding anything in the nature of a rebate or allowance to the assured under penalty of a fine of the balance of the commissions, and for repeated offences a cancelling of the contract. To be efficient, any such action must be carried out by all the companies and strictly enforced. An agent proving intractable should be debarred from re-engagement by any company.

Even more important than any action of the companies, is that of combined action on the part of the agents. They should establish a "reform" movement, unite their forces irrespective of company; with the one great aim of destroying the practice of rebating. Such a union is not impracticable. Let them take concerted action and from associations with the object of ending conditions so directly opposed to their own interests. They might investigate the best arguments with which to meet the rabater and show him the error of his ways; besides establishing stringent rules of conduct for themselves.

It is necessary that companies and agents should see eye to eye in this matter. It is not at first to be expected that the agents will invite action which they may imagine will reduce their incomes, but we may surely hope they can be brought to recognize that their interests will be best served by that line of action which will secure to themselves full compensation for their labour. In the nature of things there could be no attempt to interfere with the legitimate reward of the agents. They are the field workers who bring in the harvest and are entitled to liberal reward. But the existence of rebating is proof enough that the commissions in vogue are excessive and is sufficient vindication for an attempt to arrive at a more equitable arrangement.

The solution of the problem is difficult, but actuaries and managers have shown such great powers of business organization and are so accustomed to dealing with complex subjects that I think they should not fail in dealing with the Rebate. For my part I do not think the evil can be successfully combatted by the use of any one weapon, but rather by a combination of the means I have indicated. Briefly to recapitulate they are as follows:—

I. A reduction of commision and a distribution of the commision over a limited number of years.

II. A combination of companies' officers to deal with the evil.

III. Concerted action among the agents to protect themselves from the Rebate.

IV. To secure legislation sufficiently drastic to be deterrent.

V. To introduce an anti-rebate clause in the agent's contract, and if legal, in the assured's application, or in the policy or in all.

VI. To issue instructions to agents as to ways of dealing with the Rebater.

VII. An honest endeavour on the part of the companies to bring competition within healthful limits, and so make reform possible.

BANK OF MONTREAL.

The half yearly report of the Bank of Montreal up to 29th April last shows a small decrease in net profits as compared with the corresponding half-year of 1903-4. In the former term the net profits were $804,833, as against $781,960 for the last half-year, the difference being a reduction from 5.75 to about 5.59 per cent. The decline is probably accounted for by the less remunerative rates for money prevailing in the outside money markets where the bank has considerable interests.

The amount brought forward from 31st October, 1904, the end of the banks last year, was $583,196, which sum added to the net profits of $781,960, which were realized between that date and 29th April last, makes a total of $1,365,156 for distribution. Out of this a 5 per cent. dividend will be paid on 1st June next, amounting to $700,000, which will leave $665,156 to be carried forward to next half-year, as compared with $478,821 which was the balance carried forward at the end of the corresponding term in 1904.

The General Statement shows the circulation to have differed by only $6,379 from its figure a year ago. The deposits not bearing interest, or credit balances of current accounts, are also about the same as at end of April, 1904, the change being an increase of $14,765. The deposits bearing interest, however, rose much higher in the year, the amount in April, 1904, being $69,219,605, and in April, 1905, $79,125,464, an increase of $9,905,859.

The assets were materially enlarged last year. The gold, silver and Dominion notes were increased to extent of $2,117,798; the call and short loans in Great Britain and United States rose from $21,938,199 to $27,601,510, an expansion of $5,663,311, the amount due by agencies in Great Britain was larger by $3,231,578, and those elsewhere by $500,301. These, with other changes during the year added $11,738,683 to the assets immediately available, the total assets now being $135,124,452, as compared with $125,075,365 a year ago.

As compared with the statement for October 31, 1904, the one for April, 1905, stands as follows:—

	April 27th, 1905. $	Oct. 31st, 1904. $	Increase or decrease $
Capital paid ud.......	14,000,000	14,000,000	No change
Reserve Fund........	10,000,000	10,000,000	No change.
Circulation....	8,206,795	10,925,689	Dec. 2,718,894
Deposits not bearing interest	22,383,013	23,681,366	Dec. 1,298,353
Deposits at interest...	79,125,464	71,113,046	Inc. 8,012,418
Total Deposits.......	101,508,477	94,794,412	Inc. 6,714,065
Securities............	7,677,630	7,893,231	Dec. 215,601
Call and short loans...	27,601,510	2[illegible],499,623	Inc. 3,101,887
Assets immediately available...........	54,455,367	48,881,689	Inc. 5,573,678
Bank premises........	600,000	600,000	No change.
Current loans and discounts..............	79,847,850	81,304,314	Dec. 1,456,464

The decrease in circulation represents the difference between the maximum and minimum of the year, each position being periodically reached, every year, with as little friction in the machinery of the currency as occurs in a high class watch, while in the United States these changes create as much noise as a coal cart.

The large expenditures on the office building in this city continue to make no sign in the valuation as given in the statement, that remains at the same figure at which it stood eight years ago, some years before the work was commenced which has made the Bank of Montreal office the handsomest banking room in the world, and the entire interior one of the sights of this city, as the whole institution is a source of pride to Canada.

THE LONDON ASSURANCE CORPORATION.

The London Assurance Corporation holds one of the largest and most honourable records of British insurance enterprises. Its founders were familiar with the events which led to the Revolution of 1688. As prominent citizens of London, some of them doubtless did their share in giving a welcome to the Prince of Orange who became William III. They had not the experience, nor technical knowledge which is now requisite for the successful conduct of fire insurance, but their eminent financial ability, foresight and prudence re-evidenced by the solid foundations they laid for a new insurance enterprise. The skill they exercised in its organization has enabled the Corporation to weather all the financial storms and conflagration dangers of far on towards 200 years, and yet remain one of the strongest institutions of its class.

During its long career the Corporation has promptly met all legitimate claims, has gone on quietly, growing in resources and in still adding to its claims to public confidence and favour.

Last year the net premium income of the fire department was $2,771,470, the losses being $1,496,110. The balance at the credit of the Fire Fund after transferring $360,795 to profit and loss account amounted on 31st December last to $3,600,000.

The Balance Sheet shows the total assets of the Corporation to be $22,457,415 which exceeds the amount at end of 1903 by $639,565.

The company had its share of last year's conflagration losses, which fell heavily on the business in Canada, but met with characteristic promptitude. The net cash received for fire premiums in 1904 by the Canadian branch was, $144,315, and the net amount paid for losses $170,898. That is for each $100 received for net premiums, $118.42 was paid out to reinburse the policy-holders for losses. Such are the risks incident to the business of fire insurance. Other companies had a far more disastrous experience, in eight cases the loss ratio averaged 145.70 per cent. of the net cash premiums, so the London Assurance came out much better than some of its neighbours on which favourable comparison the Messrs. W. I. Kennedy and W. J. B. Colley, joint managers for Canada, are to be congratulated.

THE MONTREAL INSURANCE INSTITUTE.

The annual meeting of the Montreal Insurance Institute was held on the 16th inst. The retiring president, Mr. T. L. Morrisey, who took the chair urged the need of more active interest being taken by the members.

A message of fraternal good wishes was received from the Toronto Institution. Mr. G. F. C. Smith, ex-president, wrote regretting his inability to be present and continued interest in the Institute.

An increase in membership was reported. Mr. William Chubb was announced to have won the prize of $25 offered by Mr. R. Wilson-Smith for the best essay on an insurance subject. The Essay discusses, "Rebating Life Insurance Premiums." The donor intimated by letter that, for the coming year, he would give a prize of $15 for the best essay by an Associate on a fire insurance subject and $10 for one relating to life assurance.

The proposed change in the Constitution, to which we referred last week, was passed unanimously. A short discussion took place on the work of the Institute. As a result of the recent examination, Messrs. J. W. Brown, and E. M. McNiece passed with honours in several subjects in 1st examination on life assurance, and Mr. P. S. Robinson secured honours in several subjects in 2nd examination in the fire branch. All three are awarded certificates.

The Institute has 286 members, 78 executive, 199 associate, 6 honorary and 3 corresponding. The following officers were elected by acclamation:

President—Mr. Sergeant P. Stearns.

Vice-presidents—Messrs. J. Gardiner Thompson and Charles C. Hole.

Secretary—Mr. A. R. Howell.

Treasurer—Mr. W. B. Colley.

The voting for members of Council resulted as follows:—

Members of the council—Messrs. T. F. Dobbin. A. B. Wood, W. Jackson, Harold Hampson, George Lyman, Percy R. Gault, C. H. Turner Henry Timmis, W. Kennedy, John Jenkins, Joseph Rowat, W. A. Wilson, Trevor A. Evans, H. W. Wonham and H. R. Holland.

Hearty votes of thanks were passed to the donor of prizes, to the retiring officers and to the following for their papers; J. B. Laidlaw, "On Specific Rating" and "Conflagration Lessons," A. K. Blackadar, on "Government Returns," T. B. Macaulay, on "Specialized Life Experiences," Dr. Von Eberts, "Medical Selection of Lives," R. C. Smith, K. C., on "Legal points in Insurance," and Principal Paterson on, "Education."

The meeting was closed by a concert in which the following members took part, Messrs. Dumbrill, Diplock, Strong, Clibbon and MacDuff, whose contributions were much applauded.

THE INSURANCE INSTITUTE OF TORONTO.

The annual meeting of the Toronto Insurance Institute held a week ago was well attended. The retiring president, Mr. Frank Sanderson, and his colleagues were very heartily thanked for their services. The following officers and Council were elected: Hon. President, Mr. C. C. Foster, Western; President, Mr. J. B. Laidlaw, Norwich Union; Vice-President, Mr. P. C. H. Papps, A.I.A., Manufacturers; Secretary, Mr. Harvey, North American; Treasurer, Mr. H. A. Sherrard, Western; Curator, Mr. J. K. Pickett, Imperial. Council—Mr. A. Kirkpatrick, Phœnix & Aetna; Mr. T. Bradshaw, F.I.A., Imperial; Mr. C. H. Fuller, Continental; Mr. A. Wright, London & Lancashire; Mr. D. E. Kilgour, A.I.A., North American; Mr. F. J. Lightbourn, Ontario Accident; Mr. J. K. Macdonald, Confederation; Mr. J. Maughan, Hartford; Mr. G. R. Payne, C.F.U.A.; Mr. F. Sanderson, F.I.A., Canada Life; Mr. P. H. Sims, British America; Mr. S. R. Tarr, M.A., Canada Life; Mr. E. Williams, Imperial Accident. A substantial purse of gold was presented by the honorary president to retiring secretary, Mr. S. R. Tarr, as a mark of appreciation of the work done by him during the year.

The 6th annual report shows the membership to be 444, which is an increase of 50 over 1903-4. Reference is made to the opening banquet on October 11; to the visit of the secretary to the banquet of the Montreal Institute; to Mr. Burke's paper on "Building Construction;" to Mr. J. B. Laidlaw's illustrated lecture in St. George's Hall on, "Lessons to be learned from conflagrations," which drew a crowded audience and was repeated in Montreal. An interesting Fire Hazard Survey was made at Niagara Falls, July 9, 1904, under the supervision of Messrs. W. E. Fudger, and H. A. Sherrard. The inspection included the various Power Plants and the National Food Factory.

The keynote of the work of the Toronto Insurance Institute is, Education. The educational work it has done has attracted attention and favourable comment far and near. In it the students have found a stimulus and a medium that those in years gone by did not enjoy.

The year closes with a balance on hand of $435, most of which will be required to defray expenses of publishing the proceedings of the session just closed. The receipts were, Dues from "Fellows," $161; "Active Members," $183; "Associates," $268, whose respective numbers are, 40, 110 and 294.

The preponderance of the Associates in numbers is shown by their being nearly double those of Fellows and Active Members combined, and the large proportion they contribute to the revenue of the Institute, viz., 44 per cent. Such facts manifest the desirability of cultivating this element by giving the Associates such franchise privileges and providing them with such attractions, educational and social, as will secure for the Institute the active and earnest support of the younger members, who, after all, constitute the present strength and the hope of all institutions of this class.

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.

1444.—P. M. P., Montreal.—Toledo Railway and Light Co. is now paying 2 p.c. per annum, 1 p.c. half-yearly. At its present price of 35 it returns nearly 6 p.c. on the investment. We consider it a fair speculative purchase, although some of its franchises expire within six years now. It is stated that the franchises expiring are protected by franchises of overlapping lines. Its earnings applicable to common stock have been as under:—1902, 2.27 p.c.; 1903, 2.66 p.c.; 1904, 2.75 p.c., and it is stated to be earning at the rate of 3 p.c. on the common so far this year.

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1445.—T. H. W. Y., Toronto.—Granby Consolidated Mining seems a fair mining proposition. Its fiscal year ends 30th June. For the year ending 30th June, 1904, the net profits were $283,513.91, which added to previous surplus and deducting the dividend of 1 p.c. paid in December, 1903, leaves $833,419.04 at the credit of surplus account. The capital as already stated in a previous issue is, authorized, $15,000,000; paid-up, $13,363,030.

PROMINENT TOPICS.

THE EQUITABLE LIFE ASSURANCE SOCIETY.—Mr. J. H. Hyde, on behalf of himself and his associates in a syndicate, has testified before the Frick investigation committee relative to their transactions. He affirmed that, while the society had bought $13,000,000 of the bonds underwritten by the syndicate, not one bond had been bought directly from him and his associates. The committee has learned that there were 8 syndicates in which Mr. Hyde and his associates were regarded as only one of an average of 110 underwriters, none of the bonds, amounting to 300 millions, being allotted to the underwriters. Whatever securities were bought by the Equitable were said by Mr. Hyde to have been purchased in the open market, or acquired by subscription.

There is so much disagreement amongst the members of the policy-holders' investigation committee that its dissolution is threatened. Meanwhile, a movement is afoot to form a more representative body which would prosecute more vigorously than ever the task of making the Equitable a bona fide mutual company. The new committee, it is stated, would not be satisfied with the four-year half-way mutualization plan which Vice-President Hyde, as owner of the majority of the stock is willing to concede.

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ANOTHER MOVEMENT RE-EQUITABLE.—New York advices report that a number of large policy-holders are determined to stop the wrangling that has been going on fruitlessly for several months by starting an action designed to accomplish something affective and decisive. They have expressed great dissatisfaction at the work of the Harriman-Frick Committee and with the slowness of the State Insurance Department.

* * * *

A LESSON TO NON-INSURERS.—On the 10th inst., a fire on Notre Dame St., in this city, destroyed a furniture factory. When Mr. Bourassa, the proprietor, saw his property in flames he exclaimed while weeping bitterly, "My God, $30,000 and 20 years work going up in smoke *and not a cent of insurance*!" It would be unfeeling to utter reproaches against a man so distressed, but those who are following his example by keeping property uninsured deserve the sharpest rebuke and condemnation for such recklessness.

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THE FIDELITY AND CASUALTY CO., OF NEW YORK, which is opening business in Canada, has a paid-up capital of $500,000; in 1903 its net premiums were $4,949,061, losses paid, $1,813,759; other disbursements, $2,659,439. The total assets in 1903 were $5,792,354, liabilities, $4,628,560, and surplus over all liabilities, $1,163,794.

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THE BANK OF YARMOUTH has been placed in the hands of Mr. W. E. Stavert for liquidation.

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WESTMOUNT'S WATER SUPPLY.—Westmount is now provided with a new Turbine Pump for its water works, which is a revelation and a revolution in water-works engines. The turbine causes no vibration, as was demonstrated on the two Allan Line steamers, whose engines are on this principle. Westmount has the honour of securing the first pump of this class in the Dominion. Filtered water, supplied by an up-to-date system would be a great boon to the inhabitants—place it in first rank as to water supply.

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JUSTICE CURRAN ON PRESS LIBELS.—At the dinner of the Quebec Press Association in this city on 16th inst., Mr. Justice Curran made some remarks on the law of libel as affecting newspaper proprietors. He thought a most desirable improvement in procedure would be to have the case of any complainant first submitted to a judge of the Superior Court who would have authority to grant permission for a libel suit to be commenced without which no such suit could be entered. This would put a stop to vexatious, spiteful proceedings being taken against a newspaper by persons who merely designed to give annoyance to the proprietor and inflict legal expenses upon him.

A GOOD WORK PROPOSED BY THE QUEBEC GOVERNMENT.—Mr. Gouin, Premier of Quebec, and his Cabinet colleagues, are highly to be commended for their intention to grant an additional $50,000 in aid of elementary education in this Province. The salaries of rural school teachers are so low as to be a scandal, and the general equipment of many schools is very defective. The proposed grant will meet with universal approval, as, we believe, a more liberal one annually would do and reflect credit on and do great service to this Province.

* * * *

TAXING STOCK TRANSACTIONS.—The proposal to impose a stamp duty upon transfers of stock sold in this Province is a form of taxation which is most impolitic, as well as unjust. Shares are frequently passed from owner to owner backwards and forwards several times in a short time, when the market is brisk. To tax each of such transactions is manifeslty most unfair, as the same shares are liable to be taxed repeatedly, and in the course of one year the same stock might be taxed a score times. Such a tax amounts to confiscation of capital and is a direct obstruction to the movement and the investment of capital, the free flow of which is essential to the development of enterprises in which capital is to be, or has been invested. For a country like Canada, where capital investments need every protection and encouragement, it is a singularly injudicious step to revive obsolete stamp duties for the purpose of taxing the transactions of a legitimate business. It would be just as reasonable to compel every trade bill and invoice to be stamped as to impose such a tax on stock transfers.

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THE BANK OF MONTREAL BUYS THE PEOPLE'S BANK OF HALIFAX.—The shareholders of the Bank of Montreal at their meeting on 16th inst., passed a resolution approving of the purchase by the Bank of the assets of the People's Bank of Halifax on the terms we have already published, which are generally regarded as very favourable to the shareholders of the purchased bank. The stock of the Bank of Montreal will be increased by $400,000 to carry out the agreement. The Bank of Montreal will thus secure an advantageous position in the Maritime Provinces, which is very amply provided with banking accommodation and facilities.

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THE CHICAGO STRIKE seems to be dying out. The President's firm declaration, that law and order must be maintained at any cost, doubtless had a most wholesome effect. It is a deplorable record for the second largest city in the United States to have had about a dozen men killed and several score injured by the violence of men engaged in a strike for higher wages. The local authorities ought to have stopped the rioters promptly and so saved many lives and prevented the city's transportation system being threatened with paralysis by a gang of miscreants who sought to take the control of Chicago into their own hands.

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THE GAS FRANCHISE QUESTION. — A hastily summoned meeting of the Board of Trade was called for last Friday, the 12th inst., to discuss the Gas Company franchise, as it was to be again passed upon on Monday, the 15th inst., by the City Council. The short notice prevented a large attendance. A resolution was passed to the effect that, as the price of gas was lower in Toronto and in New York than in Montreal, the price ought to be reduced here to a lower figure than was proposed in the resolution of the City Council.

When that body met on the 15th inst., the Aldermen, by a vote of 20 to 15 confirmed their decision to extend the gas company's franchise by 15 years, thus giving it a term of 20 years. This was done despite the mayor's refusal to sign the amended contract on the ground that it required a by-law to make it valid. This will be forthcoming when needed if found necessary—which is uncertain.

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FRANCHISES TO TRADE CORPORATIONS.—On several occasions we have stated our conviction that, when a municipality accorded a valuable franchise to a commercial corporation, out of which profits are to be derived, some portion of these profits ought to be enjoyed by the municipality which confers the franchise, after all fixed charges and a reasonable percentage on the capital invested have been provided for. By "capital," it should be distinctly understood, is meant the amount of capital actually paid up, which is an important point in this connection.

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FRANCHISE TERMS TOO LONG.—It is an arbitrary stretch of a City Council's power to grant franchises for such long terms as 50 years. To bind two generations ahead to terms fixed by members of a corporation whose own term of official life is only two years at the utmost, is highly unreasonable. Franchises for such a long period should be submitted to the rate-payers.

* * * *

THE EASTERN TOWNSHIPS BANK will shortly occupy offices in the new Metropolitan Building, which are handsomest and commodious.

The Bank of Commerce will thus have the ground clear for entering upon work preparatory to erecting a Banking House on the site of the Temple Building which will be worthy of the institution which is the second largest Bank in Canada.

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MORE PUMPING POWER FOR CITY WATER-WORKS. —The president of the Board of Trade has addressed a letter to the Mayor calling attention to the urgent need of an extra pump being provided for the city water-works. The need of this has been repeatedly pointed out in these columns. The president writes, "The Council of the Board of Trade is convinced that all its efforts to obtain a reduction in insurance rates will be futile, so long as the City Council fails to meet the demands of the citizens for improvements in the city's fire protective service."

PERSONALS.

MR. G. H. ALLEN, chief inspector of the Standard Life, has closed a contract with the Mutual Life, of Canada, to represent that company in Montreal and Quebec Province. Mr. Allen has been twenty-one years with the Standard Life, which shows how highly he was appreciated. We are informed that he is making the change in order to be more at home with his family, and not from any disagreement with his present company.

Notes and Items.

At Home and Abroad.

MONTREAL CLEARING HOUSE.—Total for week ending May 18, 1905—Clearings, $25,805,055; corresponding week 1904, $20,644,099; 1903, $22,000,677.

THE ROYAL BANK OF CANADA has opened a Branch at Mount Pleasant, B.C.

THE IMPERIAL BANK will shortly issue $1,000,000 new stock at 100 premium.

WESTMOUNT has adopted and ratified a by-law authorizing the borrowing of a quarter of a million for public works.

OTTAWA CLEARING HOUSE.—Total for week ending 11th May, 1905—Clearings, $2,172,272; corresponding week last year, $1,990,625.

A GOOD EXAMPLE.—The late Mr. Sutherland, minister of Public Works, at the time of his death, carried $30,000 of life assurance, although his estate was worth $500,000.

THE EQUITABLE IN GREAT BRITAIN.—English insurance journals have not given much space to the Equitable affair, but the business of the Society is said to have suffered by the wrangling of certain officials.

TELEPHONE VERSUS TELEGRAPH.—The C. P. R. is to establish a complete telephone system on its line and branches in order to bring station-masters and other officials into contact with each other, and do away with the telegraph for these services.

HIGH HEELS AS ACCIDENT CAUSERS.—In one newspaper this week there are three serious accidents recorded caused by ladies being thrown down violently by their high heels, one by catching on a side-walk irregularity, another by the heels catching against a carriage step, and a third by the heel acting as a turning pivot, which damaged the ankle. Accident companies have some very singular risks to provide against.

BANK CLEARINGS.—For week ending 11th inst., the figures were as follows, the percentage of increase being that over same week 1904:

Montreal	$25,658,990	Inc. 2.27
Toronto	19,964,453	Inc. 20.1
Winnipeg	6,084,925	Inc. 12.2
Ottawa, Ont	2,172,272	Inc. 9.1
Halifax	1,879,153	Inc. 11.7
Vancouver, B.C	1,784,256	Inc. 18.2
Quebec	1,670,554	Inc. 44.3
Hamilton	1,189,286	Inc. 11.2
St John, N.B	1,121,466	Inc. 22.5
London, Ont	1,102,343	Inc. 30.2
Victoria, B.C	807,917	Inc. 41.8

THE "MAY" AND "MUST" CASE CLOSED.—On 2nd inst. the Supreme Court of Wisconsin denied a re-hearing in the proceedings brought by Commissioner Host to compel the company to divide its surplus among its policy-holders on the ground that the state law made limited the dividend accumulation period to five years as a maximum. The present decision of the court closes the case. Whatever then may be said to the contrary "may" does not mean the same as "must" and the recent decision must rule.

Correspondence.

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

LONDON LETTER.

FINANCE.

4th May, 1905.

Passing through a spasm of depression as the markets are now, a spasm whose reasons lie as far asunder as Chicago and the China Seas, Canadian securities of all sorts except Hudson's Bay's are lower. Canadian Pacifics, which quite recently touched 160, are now trembling at a level from seven to ten points lower. Grand Trunks remain the sport of "bears" who seem to be perpetually selling at about 22, and buying back at nearly 21. "Bays," on the contrary, after a sojourn in the region of $335, are now quoted at $360, which although lower than the record recently touched, is still consolation for tired "bulls."

But they should not be tired much longer. Everything points to a return of public confidence. The visit of the King to Paris, is one event of considerable significance, announcing, as it did, clearly to all the world that British relations with France were of a most cordial nature. The withdrawal of M. Delcasse's resignation and the moderation shown by Japan on the neutrality question, are also helping matters.

At home here, there is a general quickening of the industrial pulse. The chief manufacturing centres of England, Scotland, Wales and Ireland, are working on fuller time, and the distressing unemployment, which occasioned so much suffering last winter, is passing away. The foreign trade of the country shows continued expansion, as witness the magnificent figures exhibited in the monthly Board of Trade returns.

There are troubles, of course. The strain upon our resources imposed by the war in South Africa, and the heavy taxation it imposed, takes some time to work out. On the other hand foreign industrial competition is pressing heavily in some directions. The lace trade of Nottingham suffers acutely from the rivalry of Saxony and Switzerland, while American and French footwear undersell our home products.

In shipping freights there is more and more strenuous competition from German sources, especially between New York and South Africa, and from German ports to India and the East.

But on the other hand we are regaining ground in iron and steel. Foreign competition (which was particularly American), is practically dead, whilst in motor manufacturing, where the foreigner formerly had things all his own way, a rising business is being established in England. Cotton has recovered from the extreme depression of last summer, and Lancashire is in a condition of abounding prosperity. Where barely a year ago mills were closed, they are now unable to cope with the weight of orders.

The woollen and worsted trade of Yorkshire, and the famous superfine cloth trade of the West of England, and the valley of the Tweed are reaping the reward of their adherence to high standards of quality, and even the Belfast linen trade is less unsatisfactory than it was. Metals are pulling up, and new developments like those which have led to the establishment of high-speed cutting tool manufacture at Sheffield, are showing that British manufacturers are more fully alive to modernity.

INSURANCE.

There appears to be a continual flow of frauds and deceptions masquerading as insurance companies. For example, there is the Universal Insurance Loan and Investment Company, which some of the creditors are now making attempts to wind up. This company was formed prior to 1870, and, therefore, being outside the provisions of the Act of that year, was under no obligation to provide an insurance fund. Attempts have recently been made to put the concern more into line with modern, respectable life assurance, but they have not been sufficient to safeguard the interests of policy-holders. Another attempt is to be allowed, and should that not succeed this concern, abotu the last of the unsuccessful pre-1870 companies, will be extinguished.

Industrial life assurance business in the United Kingdom does not always attract the best class of insurance agent, and in the same way the newer offices engaged in the business are not always run on strictly legitimate lines. One of the great evils of industrial life assurance, especially in the provinces, is the stealing of business. The war is relentless enough for this to take a very serious and unpleasant aspect, and at times the competing offices are driven to attempt some kind of *rapprochement*. Each office endeavours to secure transfers of blocks of business already on the books of rival concerns.

The custom has grown of giving an insurer so transferred, full immediate benefit in the new company, and at the same time, of course, all arrears of premiums due to the office from which the insurant is transferred, are wiped off.

An Act of Parliament stipulates that all such transfers must be notified to the company from which the transfers come. This is done, and hence we have special departments in connection with the industrial offices whose function it is to trace and re-capture these transfers. The whole method is expensive and futile, and numerous delegate conferences have been held for the purpose of stopping "transfers"—but as yet unsuccessfully.

STOCK EXCHANGE NOTES.

Wednesday, p.m., May 17, 1905.

Two or three special stocks were advanced in the past week, Detroit Railway, Montreal Power and Montreal Cotton being the only active securities in an otherwise dull and uninteresting market. Montreal Cotton had the most sensational advance, gaining over 20 points since last Friday, and the gain in price was accompanied by rumours that the Company would cast in its fortunes with the Dominion Textile Company. Montreal Cotton is paying 7 per cent. at present, and it is considered that a good price would have to be paid for the stock in order to obtain control of the Company. It is unofficially stated that 125 is the figure to be paid, 100 in 6 per cent. Bonds, and 25 in 7 per cent. Preferred Stock. Detroit Railway shows the largest volume of business for the week in any one stock, and although the highest quotation has not been maintained, there was a decided gain in price over last week. Montreal Power, which has remained very steady around 90 for some time past, had a gain of almost 2 points on the confirmation of the extension of the franchise passed by the City Council on Monday. The stock closed firm to-day at a slight reaction from the highest. Toledo Railway has improved in price, and was fairly active as compared with the rest of the list, apart from the three stocks above mentioned. Outside of these four securities the market was without particular interest, and the trading in each stock was limited. The new 5 per cent. Dominion Coal Bonds are being dealt in around 99¼, a fractional advance over the issue price, while the new 7 per cent. Preferred Stock was dealt in at 115½, an advance of ½ point over the issue price.

No developments of general financial interest occurred during the past week, and the situation in the far East has not materially changed. Rumours bearing on the possibility of European complications through the Japanese-Russian war, are afloat, happily none of which have, so far, had any reliable basis.

Money conditions both here and in the United States remain easy, and loans are procurable at reasonable rates. The crop reports from all districts are so far most satisfactory, although, of course, it is early in the day to estimate the probable yield.

The call rate for bank money remains unchanged in Montreal at 4½ p. c. In New York to-day, the rate for call money was 2¼ p. c., while the rate in London was 2 p. c.

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

	Market.	Bank.
Paris	1½	3
Berlin	2⅜	3
Amsterdam	2 5/16	2½
Vienna	2⅛	3½
Brussels	2⅜	3

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C. P. R. was very inactive this week, and only 340 shares in all were traded in. The closing quotation was 148 bid, and the last sales were made at this price, which is a fractional gain over the closing quotation a week ago. There were no sales in the New Stock. The earnings for the second week of May show an increase of $44,000.

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The Grand Trunk Railway Company's earnings for the second week of May show an increase of $1,173. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day.
First Preference	108	107¾
Second Preference	98	97½
Third Preference	48⅝	48¼

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There were no transactions in Soo Common, and the closing quotation was 116 bid, as compared with 114½ a week ago.

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The trading in Montreal Street Railway brought out an even 100 shares, and the closing quotation was unchanged from a week ago with 215 bid. The earnings for the week ending 13th inst., show an increase of $3,095.22, as follows:—

		Increase.
Sunday	$5,725.64	$*1,324.71
Monday	7,895.20	650.87
Tuesday	7,075.78	361.73
Wednesday	7,509.90	971.46
Thursday	7,727.40	940.93
Friday	7,682.22	677.81
Saturday	8,677.80	817.13

*Decrease.

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Toronto Railway advanced to 106, and closed with 105⅝ bid, a net gain of 1⅛ points for the week, and 504 shares changed hands. The earnings for the week ending 13th inst., show an increase of $7,480.75, as follows:—

		Increase.
Sunday..................	$4,010.28	$* 220.22
Monday..................	7,544.11	1,478.54
Tuesday..................	6,993.21	1,187.54
Wednesday..................	6,802.99	1,148.37
Thursday..................	6,786.28	1,039.09
Friday..................	7,148.55	1,285.98
Saturday..................	9,196.07	1,561.45

*Decrease.

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The transactions in Twin City involved 520 shares, and the closing bid was 112, an advance of 2 points for the week, but a decline of 2⅞ points from this week's highest. The earnings for the first week of May show an increase of $5,469.05.

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The sales in Halifax Tram this week totalled 115 shares, and the closing bid was 104½. The highest of the week was 105.

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Detroit Railway was the most active stock in this week's market, and 7,412 shares were traded in. The highest price touched was 89¾, and the closing bid was 87½, a net gain for the week of 5½ points. The earnings for the first week of May show an increase of $7,206.00.

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Toledo Railway advanced to 35¼, and closed with 34½ bid, a net gain of 2 full points for the week, and 787 shares were traded in.

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The transactions in Mackay Common involved 250 shares, and the closing bid was 40½, as compared with 40⅛ a week ago. The Preferred Stock closed with 72⅞ bid, a gain of ⅞ of a point on quotation for the week and 277 shares changed hands.

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In Ogilvie Preferred there was one sale of 25 shares at 137.

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Lake of the Woods Common was traded in to the extent of 450 shares, and the closing bid was 101, being ¼ lower than the quotation prevailing at the close last week. In the Preferred stock 47 shares changed hands, and the closing quotation was 114½ bid.

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R. & O. closed with 74¼ bid, an advance on quotation of 1½ points for the week. The trading was very limited, and only 40 shares came out.

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Montreal Power was one of the active stocks, and 2,681 shares were involved in the week's business. The highest of the week was 91⅞, and the closing bid was 91, an advance of ¾ of a point over last week's closing quotation.

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Montreal Cotton was traded in to the extent of 816 shares, and closed with 119¼ bid, a reaction of ½ point from the highest of the week, but a gain of 20¼ points over last week's closing bid.

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Dominion Iron Common closed with 21½ bid, a fractional gain for the week on sales of 610 shares. The closing quotation for the Preferred Stock was 66 bid, as compared with 66½, a week ago, and there were no sales in the stock during the week. In the Bonds only $1,000 changed hands, and the closing quotation was 84 bid, a gain of ¼ point on quotation for the week.

Dominion Coal Common was traded in to the extent of 200 shares, and closed with 77 bid, a decline of 1 full point for the week. In the Preferred Stock, 256 shares changed hands, the last sales being made at 115½. In the Bonds, $15,000 were traded in, the last sales being made at 99¼.

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Nova Scotia Steel Common closed with 61½ bid, a gain of ¼ point for the week on sales of 140 shares. There were no transactions in the Preferred Stock. The sales of the Bonds amounted to $2,500, the last sales being made at 109¾.

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	Per cent.
Call money in Montreal..............................	4½
Call money in New York..............................	2¼
Call money in London..............................	2
Bank of England rate..............................	2½
Consols..............................	90 1/16
Demand Sterling..............................	9
60 days' Sight Sterling..............................	9⅛

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Thursday, p.m., May 18, 1905.

The market opened firm and dull, but in sympathy with New York, it ran off decidedly, especially during the afternoon session. C. P. R. sold down to 146½, and Twin City to 109½. Montreal Power reacted to 90⅜, and Detroit Railway to 86¾. Montreal Cotton which sold at 120¼ yesterday, reacted to 118, and closed, offered at 118 with 117 bid. There were no sales in Lake of the Woods Common, and it was offered at 100¾, with 100 bid at the close. The total transactions of the day were of small dimensions, and the sales in detail will be found below. There was no particular reason assigned for the weakness in New York, but the market there closed heavy at about the low prices of the day.

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MONTREAL STOCK EXCHANGE SALES

THURSDAY, MAY 18, 1905.

MORNING BOARD.

No. of Shares.		Price.	No. of Shares.		Price
1	C.P.R..............	147	25	Power	91
25	Toledo Ry..........	34¼	10	"	91¼
100	Toronto Ry........	105⅞	50	"	91
225	"	106	25	"	90⅞
450	Detroit	87½	25	Dom. Coal Com....	78
13	Bank of Toronto....	234½	$05	Textile Pfd.......	85
10	Mont. Cotton.	119	$500	Col. Cotton Bonds	90
75	"	118	$7,000	Lk. of Woods Bds.	113
1	"	119⅛	$1,000	Textile Bonds....	88
25	Mackay Com.......	40⅛	D 500	" "	87
25	Mackay Pfd.........	72¾	C1,500	" "	87
20	Power	91¼	$1,000	Iron Bonds......	84

AFTERNOON BOARD.

10	C.P.R.	147¼	50	Power	90½
50	"	146½	25	"	90¼
100	Toronto Ry........	105½	100	"	90⅜
25	Toledo Ry.... ...	34	100	Detroit Ry.........	86¾
103	Trinidad	94¾	25	"	87
25	Mackay Com......	40	150	"	86¾
25	" Pfd......	72¾	15	"	87
25	Halifax	105	25	Dom. Coal Pfd...	115½
25	Twin City........	110¼	$1,000	(D) Textile Bonds	90
75	"	109¾	$500	Dom. Coal Bonds.	99¼
50	"	109½	10,000	" "	99

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	$10,481,415	$1,089,787
Week ending.	1903.	1904.	1905.	Increase
May 7.........	$673,720	$647,978	$619,911	Dec. 28,067

CANADIAN PACIFIC RAILWAY.

Year to date.	1903.	1904.	1905.	Increase
April 30.......	$13,278,000	$12,920,000	$14,557 $,000	1,637,000

GROSS TRAFFIC EARNINGS

Week ending	1903.	1904.	1905.	Increase
May 7..........	$890,000	$925,000	$908,000	Dec. $17,000

NET TRAFFIC EARNINGS.

Month.	1903.	1904.	1905.	Inc.
January..........	$916,771	$357,652	$422,668	$65,010
February........	742,741	82,541	302,171	219,606
March..........	1,258,564	850,854	1,182,827	331,973
April..........	1,493,173	412,533		
May..........	1,383,357	1,391,565		
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......	15,708,709	13,689,804		

CANADIAN NORTHERN RAILWAY.

GROSS TRAFFIC EARNINGS.

July 1st, 1902 to June 30, 1903	July 1st, 1903 to June 30, 1904		Increase
$2,304,450	$3,124,800		$820,350
Week ending.	1904.	1905.	Increase
May 7............	$60,300	$72,200	$11,900
14............	57,300	80,400	23,100

DULUTH, SOUTH SHORE & ATLANTIC.

Week ending.	1903.	1904.	1905.	Increase
April 7............	47,974	43,502	46,566	3,604
14............	47,662	44,797	54,381	9,584
21............	47,418	44,397	54,764	10,367

MONTREAL STREET RAILWAY.

Month.	1903.	1904.	1905	Increase
January...	$ 168,883	$ 182,386	$ 201,096	18,710
February...	139,065	167,023	184,132	17,109
March....	168,987	183,689	206,725	23,036
April....	170,050	184,905	200,910	16,005
May.....	170,773*	217,341		
June......	205,454	229,565		
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
May 7	$41,043	$46,769	$49,026	$2,257
14....	45,515	49,199	54,044	4,845

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 Silver.

TORONTO STREET RAILWAY.

Month	1903.	1904.	1905	Increase
April.....	162,276	183,763	$201,317	$17,554
May......	174,519	198,337		
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.
May 7............	$35,679	$42,078	$46,692	$4,614

TWIN CITY RAPID TRANSIT COMPANY.

Month.	1903.	1904.	1905.	Inc.
January..	$310,084	$329,354	$349,469	20,115
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		
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.	333,424	352,433		
December.	357,452	374,738		
Week ending.	1903.	1904.	1905.	Inc.
May 7..........	$71,485	$77,399	$82,868	$6,469

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	18,494	17,862		
October...	12,055	12,434		
November	11,220	11,085		
December	12,160	12,163		
Week ending.	1903.	1904.	1905.	Inc.
May 7..........	$2,240	$2,595	$2,372	Dec. 223
14..........	2,362	2,640	2,368	" 272

Lighting Receipts.

	1903	1904	1905	Inc.
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...	8,826	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.
May 7........	$82,448	$89,654	$7,206

HAVANA ELECTRIC RAILWAY CO.

Week ending	1904	1905	Increase
May 8........	$32,314	$38,780	$6,456
15	31,466	38,554	7,088

STOCK LIST

Reported for THE CHRONICLE by **R. Wilson-Smith & Co.,** 160 St. James Street, **Montreal.**

Corrected to May 17th, 1905, P.M.

BANKS.	Capital subscribed. e	Capital paid up. e	Reserve Fund. e	Per centage of Rest to paid up Capital.p	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. Asked.	Bid.	When Dividend payable.
	$	$	$	$	$	$	Per Cent.	Per Cent.	Asked.	Bid.	
British North America	4,866,666	4,866,666	2,044,000	42.00	243	315 90	3	4 61	....	130	April
Canadian Bank of Commerce	9,763,400	9,655,895	3,882,258	40.23	50	82 25	3½	4 26	....	164½	June
Crown Bank of Canada	771,100	679,594	....	....	100	....	..	....	....	...	....
Dominion	3,000,000	3,000,000	3,500,000	110.66	50	....	2½*	....	....	...	Jan.Apl.Juy.Oct
Eastern Townships	2,500,000	2,499,910	1,500,000	60.00	100	170 00	4	4 70	170	160	January July
Hamilton	2,237,400	2,235,380	2,100,085	94.00	100	....	5	....	...	...	Jceee
Hochelaga	2,000,000	2,000,000	1,200,000	60.00	100	134 00	3½	5 22	134	133	June Dec
Imperial	3,000,000	3,000,000	3,000,000	100.00	100	240 00	5	4 16	240	......	June Dec
La Banque Nationale	1,500,000	1,500,000	450,000	30.00	30	....	3	....	......	...	June Dec
Merchants Bank of P.E.I.	344,073	344,073	296,000	86.02	32.44	....	4	....	....	....	May Nov.
Merchants Bank of Canada	6,000,000	6,000,000	3,200,000	53.33	100	170 00	3½	4 11	....	170	July Dec.
Metropolitan Bank	1,000,000	1,000,000	1,000,000	100.00	100	....	..	...	....	....	....
Molsons	3,000,000	3,000,000	3,000,000	100.00	50	112 50	4½	3 94	228	227	April Oct
Montreal X.D.	14,000,000	14,000,000	10,000,000	71.42	100	257 00	5	3 92	255	252	June Dec
New Brunswick	500,000	500,000	800,000	160.00	100	....	6	....	...	....	January Jul
Nova Scotia	2,148,400	2,100,600	3,360,960	160.00	100	265 00	5	3 77	265	260	February Aug
Ontario	1,500,000	1,500,000	600,000	40.00	100	141 00	3	4 25	141	....	June Dec
Ottawa	2,500,000	2,500,000	2,500,000	100.00	100	215 00	4½	4 18	....	215	June Dec
People's Bank of Halifax	1,000,000	1,000,000	440,000	44.00	20	....	4	....	....	....	March Sept
People's Bank of N. B.	180,000	180,000	175,000	97.22	150	....	4	....	....	..	January July
Provincial Bank of Canada	846,537	823,317	....	.....	100	....	1½	....	....	....	....
Quebec X.D.	2,500,000	2,500,000	1,000,000	40.00	100	129 00	3½	5 32	....	131½	June Dec.
Royal	3,000,000	3,000,000	3,000,000	100.00	100	225 00	4	3 55	225	210½	February Aug.
Sovereign Bank	1,300,000	1,300,000	350,000	26.92	100	....	1¼*	....	....	....	Feb.MayAug.Nov
Standard	1,000,000	1,000,000	1,000,000	100.00	50	....	5	....	....	....	June Dec
St. Stephens	200,000	200,000	45,000	22.50	100	....	2½	....	....	....	April Oct
St. Hyacinthe	504,600	329,515	75,000	22.76	100	....	3	....	....	....	February Aug
St. Johns	500,200	290,105	10,000	3.60	100	....	3	....	....	....	....
Toronto	3,000,000	3,000,000	3,300,000	110.00	100	234 00	5 & 1†	4 70	....	234	June Dec
Traders	3,000,000	2,921,675	700,000	25.69	100	....	3½	....	....	...	June Dec
Union Bank of Halifax	1,336,150	1,336,150	970,000	74.17	50	....	3½	....	....	....	Feb. Aug
Union Bank of Canada X.D.	2,500,000	2,500,000	1,000,000	40.00	100	140 00	3½	4 96	140½	140	February Aug
Western	500,000	500,000	250,000	50.00	100	....	3½	....	....	....	June Aug
Yarmouth	300,000	300,000	35,000	11.66	75	....	2½	....	....	....	Feb. Dec.
MISCELLANEOUS STOCKS.											
Bell Telephone	7,975,100	7,916,980	135,607	25.53	100	....	2*	5 16	155	152	Jan.Apl.Jul.Oct.
Can. Colored Cotton Mills Co.	2,700,000	2,700,000	....	....	100	....		....	....	. .	....
Canada General Electric	1,475,000	1,475,000	265,000	....	100	....	5	....	....	....	January July.
Canadian Pacific	101,400,000	98,020,000	....	.	100	148 50	3	4 05	148½	148	April. Oct.
Commercial Cable	15,000,000	15,000,000	4,923,122	34.75	100	....	1½* & 1†	....	....	....	Jan.Ap.July Oct.
Detroit Electric St	12,500,000	12,500,000	....	....	100	....	1*	4 54	88	87½	Mh.June Sept.Dec.
Dominion Coal Preferred	3,000,000	3,000,000	....	....	100	....	4	...	....	....	Jan. July
do Common	15,000,000	15,000,000	....	....	100	80 00	..	....	77½	77	....
Dominion Textile Co Com.	7,500,000	5,000,000	....	....	100	....	..	....	..	.	....
do Pfd	2,500,000	1,940,000	....	....	100	88 00	...	....	87½	86½	....
Dom. Iron & Steel Com.	20,000,000	20,000,000	....	....	100	21 50	..	....	22	21½	....
do Pfd.	5,000,000	5,000,000		....	100	68 50	...	....	70	66	....
Duluth S. S. & Atlantic	12,000,000	12,000,000	....	....	100	....	..	....	....	....	....
do Pfd.	10,000,000	10,000,000	....	.....	100	....		....	....	....	....
Halifax Tramway Co.	1,350,000	1,350,000	....	....	100	....	1¼*	4 71	1 6	104½	Jan.Apl.July Oct
Hamilton Electric St. Com.	1,700,000	1,700,000	....	....	100	....	...	....	....	....	....
do Pfd	2,278,000	2,278,000		....	100	....	2½	....	...	...	January July
Intercolonial Coal Co.	500,000	500,000	} 90,474	12.06	100			...	...	...	....
do Preferred	219,790	219,700	....	.....	100	....	7§	....	....	....	Jan.
Laurentide Paper Co.	1,600,000	1,600,000	....	....	100	....	3	....	...	..	Feb, Aug.
Laurentide Paper, Pfd	1,200,000	1,200,000	....	....	100	....	3½*	....	...	....	January July
Lake of the Woods Co	2,500,000	2,000,000	....	....	100	....	..	....	102	101	....
Lake of the Woods Mill. Co., Pd	1,500,000	1,500,000	....	....	100	....	1¾*	5 93	118	114½	Feb.May,AugNov
Marconi Wireless Telegraph Co.	5,000,000	....	....	.....	5	....	..	....	....	....	....
Mackay Companies Com.	50,000,000	41,380,400	....	.....	100	40 50	1	....	41	40½	Jan. July
do Pfd.	50,000,000	35,968,700	....	.....	100	....	1*	....	73	72¾	Jan.A... Jul.Oct
Minn. St. Paul & S.S.M.	1,000,000	14,000,000	....	...	100	....	2	....	...	....	Jan. July
do Pfd.	7,000,000	7,000,000	....	....	100	....	3½	....	....	....	....
Montreal Cotton Co.	3,000,000	3,000,000	....	.....	100	100 00	1¾*	5 85	119½	119½	Mar.Jun SepDec.
Montreal Light, Ht. & Pwr. Co.	17,000,000	17,000,000	....	.....	100	90 50	1*	4 39	91½	91	Feb.MayAug.Nov
Montreal Steel Work, Pfd	800,000	800,000	....	....	100	......	1¾*	....	....	....	Mch.Jun.Sep.Dec
do do Com.	700,000	400,000	....	....	100	....	....	....	....	....	....
Montreal Street Railway	7,000,000	7,000,000	698,379	13.31	50	110 00	2½*	4 56	219	215	Feb.MayAug.Nov
Montreal Telegraph	2,000,000	2,000,000	....	....	40	....	2*	....	....	....	Jan.Apl.Jul.Oc
National Salt Com.	7,000,000	7,000,000	....	....	100	....	1½	....	....	....	....
do Pfd	5,000,000	5,000,000	....	....	100	....	.	....	....	....	June December
North-West Land, Com.	1,467,681	1,467,681	....	....	25						
do Pref.	3,090,625	3,090,625	....	....	100	....	..	....	....	....	....
N. Scotia Steel & Coal Co, Com.	4,120,000	5,000,000	750,000	15.00	100	62 00	6§	....	63	61½	March.
do Pfd.	1,030,000	1,030,000	....	....	100	....		....	....	....	....
Ogilvie Flour Mills Co	1,250,000	1,250,000	....	....	100	....	2*	....	....	....	Jan.Apl.Ju.Oct.
do Pfd.	2,000,000	2,000,000	....	....	100	....	3½	....	....	....	do do
Richelieu & Ont. Nav. Co.	3,132,000	3,132,000	....		100	73 50		....	75	74½	....
St. John Street Railway	707,860	707,860	23,101	7.93	100	....	3	....	....	....	Mar.Jun.Sep Dec.
Toledo Ry & Light Co.	12,000,000	12,000,000	....	....	100	....	1	....	34¾	34½	May. November
Toronto Street Railway	6,600,000	6,600,000	1,454,136	8.10	100	....	1¼*	4 71	166	105¾	Jan.Apl.Jul.Oct
Trinidad Electric Ry.	1,200,000	1,032,000	....	....	4.80	....	1¼*	....	....	....	Jan.Apl.Jul Oct.
Twin City Rapid Transit Co.	16,511,000	16,511,000	2,163,507	14.41	100	....	1¼*	4 38	114	112	Feb.MayAugNov.
do Preferred	3,000,000	3,000,000	....		100	....	1¾*	....	....	...	Dec.Mar.Jun.Sep
Windsor Hotel	600,000	600,000	....		100	....	3	....	....	...	May Nov.
Winnipeg Elec. St Railway Co.	4,000,000	4,000,000	....		100	....	1½*	....	....	....	Jan.Apl.JulyO

*Quarterly. †Bonus of per cent. ¶Price per Share § Annual. e These figures are corrected from last Govt. Bank Statement MARCH 31st, 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., 2397.	96	
" " Registered.	4		1 July	1 Oct.			96	
Can. Colored Cotton Co.	6	2,000,000	2 Apl.	2 Oct.	Bank of Montreal, Mnotreal	2 Apl., 1902.	98	
Canada Paper Co	5	200,000	1 May	1 Nov.	Merchants Bank of Can., Montreal	1 May, 1917.	....	
Bell 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 Mch.	1 Sep.	Bank of Montreal, Montreal	1 Mch., 1913.	106½	Redeemable at 110
Dominion Cotton Co	4½	£ 308,200	1 Jan	1 July	....	1 Jan., 1916.	....	Redeemable at 110
Dominion Textile Co. Series A		758,500	....		....	....	....	Redeemable at 110
do do B	6	1,162,000	....		....	....	90	do 105 after 5 yrs
do do C	6	1,000,000	....		....	....	....	Redeemable at 105
do do D	6	450,000	....		....	....	90	Redeemaple at 105
Dominion Iron & Steel Co.	6	$ 7,876,000	1 Jan.	1 July	Bank of Montreal, Montreal	1 July, 1929.	84	Redeemable at 110
	5							& accrued interest
Halifax Tramway Co.	5	$ 600,000	1 Jan.	1 July	Bk. of N. Scotia., Hal. or Montreal	1 Jan., 1916.	....	Redeemable at 105
Intercolonial Coal Co	5	344,000	1 Apl.	1 Oct.	....	1 Apl., 1918.	....	
Laurentide Pulp	6	1,112,000	....		....	....	106½	
Montmorency Cotton	5	1,000,000	....		....	....	100	
Montreal Gas Co	4	880,074	1 Jan.	1 July	Company's Office. Montreal	1 July, 1921.	....	
Montreal Light, Heat and Power	4½	7,500,000	1 Jan.	1 July	Bank of Montreal, Montreal	1 July, 1932.	....	
Montreal Street Ry. Co	5	292,900	1 Mch.	1 Sep.	Bank of Montreal, London, Eng.	1 Mch., 1908.	101½	Redeemable at 105 after Jan. 1st, 1912
" "	4½	681,333	1 Feb.	1 Aug.		1 Aug., 1922.	....	
" "	4½	1,500,000	1 May	1 Nov.	" " Montreal	1 May, 1922.	....	
Nova Scotia Steel & Coal Co.	6	2,500,000	1 Jan.	1 July	Union Bank, Halifax, or Bank of Nova Scotia; Mo't'l or T'r'nto	1 July, 1931.	103	
Ogilvie Flour Mill Co.	6	1,000,000	1 June	1 Dec	Bank of Montreal, Montreal	1 June, 1932.	107	
							116	Redeemable at 1 0 after June .0
Richelieu & Ont. Nav. Co.	5	471,580	1 Mch.	1 Sep.	Montreal and London	1 Mch., 1915.	103	
Royal Electric Co'	4½	£ 130,900	1 Apl.	1 Oct.	Bk. of Montreal, Mont'l or London	Oct., 1914		Redeemable at 110
St. John Railway	5	$ 675,000	1 May	1 Nov.	Bank of Montreal, St. John, N.B.	1 May, 1925.	....	Redeemable at 110
Toronto Railway		600,000	1 Jan.	1 July	Bank of Scotland, London	1 July, 1914.	....	5 p.c. redeemable yearly after 1900
" "	4½	2,509,953	28 Feb.	31 Aug.		31 Aug., 1921.	103	
Windsor Hotel	4½	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.	104½	
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.	....	
" " "	5	4,000,000	1 Jan.	1 July	....	1 July, 1909	....	

BANK OF MONTREAL

Statement of the result of the business of the Bank for the half-year ended 29th April, 1905.

Balance of Profit and Loss Account, 31st October, 1904	$ 583,196.01
Profits for the half-year ended 29th April, 1905, after deducting charges of management and making full provision for all bad and doubtful debts	781,960.40
	$1,365,156.41
Dividend 5 per cent. (being at rate of 10 per cent. per annum) payable 1st June, 1905	700,000.00
Balance of Profit and Loss carried forward	$ 665,156.41

NOTE.—Market price of Bank of Montreal stock, 29th April, 1905—258 p.c.

GENERAL STATEMENT.

29th April, 1905.

LIABILITIES.

Capital Stock		$ 14,000,000.00
Rest	$10,000,000.00	
Balance of Profits carried forward	665,156.41	
	$10,665,156.41	
Unclaimed Dividends	763.57	
Half-yearly Dividend, payable 1st June, 1905	700,000.00	11,365,919.98
		25,365,919.98
Notes of the Bank in circulation	$ 8,206,795.00	
Deposits not bearing interest	22,383,013.98	
Deposits bearing interest	79,125,464.25	
Balances due to other Banks in Canada	43,259.53	109,758,532.76
		$135,124,452.74

ASSETS.

Gold and Silver coin current		$ 4,098,203.09	
Government demand notes		6,553,256.75	
Deposit with Dominion Government required by Act of Parliament for security of general bank note circulation		460,000.00	
Due by agencies of this bank and other banks in Great Britain	$ 4,217,182.41		
Due by agencies of this bank and other banks in Foreign countries	1,258,705.28		
Call and short Loans in Great Britain and United States	27,601,510.00		
		33,077,397.69	
Dominion and Provincial Government Securities		432,244.56	
Railway and other bonds, debentures and stocks		7,245,386.04	
Notes and cheques of other Banks		2,588,879.29	
			$54,455,367.42
Bank Premises at Montreal and Branches			600,000.00
Current loans and discounts in Canada and elsewhere (rebate interest reserved) and other assets		$79,847,850.23	
Debts secured by mortgage or otherwise		115,611.99	
Overdue debts not specially secured (loss provided for)		105,623.10	
			80,069,085.32
			$135,124,452.74

BANK OF MONTREAL,

MONTREAL, 29th April, 1905.

E. S. CLOUSTON,

General Manager.

The London Assurance Corporation.

The Court of Directors present to the Members of the Corporation the Report, Accounts and Balance Sheet for the year 1904.

FIRE DEPARTMENT.

The Premium Income of the year, after deduction of Reassurances and returns, amounted to $2,771,470, and the losses, inclusive of all claims to the 31st December, 1904, to $1,496,110.

The balance at the credit of the Fire Fund, after transferring $360,795 to Profit and Loss Account amounted on the 31st December, 1904, to $3,600,000.

PROFIT AND LOSS.

The amount standing to the credit of this account on the 31st December, 1904, after transferring $250,000 to General Reserve, and $50,000 to Investments Depreciation Account, was $679,345, out of which the Court of Directors now recommend a dividend of 20 per cent., being $12.50 per share payable as follows:—$6.25 on the 1st of April, and $6.25 on the 1st October, free of income tax.

FIRE ACCOUNT.

1903. Dec. 31.		
Amount of Fire Insurance Fund at this date.		$ 3,550,000
1904. Dec. 31.		
Premiums after deduction of reassurances, and returns..		2,771,470
Interest and Dividends.	$ 128,480	
Less Income Tax	4,050	
		124,430
		$6,445,900

1904. Dec. 31.	
Losses after deduction of reassurances and salvages	$ 1,496,110
Expenses of management (apportioned)	505,380
Commission	483,585
Bad Debts, etc	25
Carried to Profit and Loss Account	360,800
Amount of Fire Insurance Fund at this date, as per Balance Sheet..	3,600,000
	$6,445,900

BALANCE SHEET, 31st December, 1904.

LIABILITIES.

Shareholders' Capital, $4,482,750, of which is paid up		$ 2,241,375
General Reserve Fund..		2,500,000
Life Assurance Funds—		
Non-Participating	$2,900,465	
Participating	8,213,290	
		11,113,755
Fire Fund	$3,600,000	
Marine Fund..	1,480,205	
Joint Fire and Marine Funds..		5,080,205
Profit and Loss		679,345
Investments Reserve Account		200,000
		$21,814,680
Outstanding Life Claims	$175,140	
Do. Fire Losses	222,215	
Do. Marine Losses..	22,385	
Do. Dividends to Shareholders	21,080	
Do. Income Tax..	4,270	
Fire Premiums due to other Companies..	62,760	
Life Premiums paid in advance	480	
Marine Premiums due to other Companies..	91,490	
Clerks' Savings Fund	42,915	
		642,735
		$22,457,415

($5 taken as the equivalent of £1 Stg.).

ASSETS.

Mortgages on Property within the United Kingdom	$5,717,430	
Loans upon Parliamentary Rates	1,165,605	
Loans upon Rent charges	5,180	
		$ 6,888,215
Loans on the Corporation's Life Policies..		397,385
Loans on Railway and on other Securities..		511,625
Investments—		
In British Government Securities. viz.:—		
$1,041,480 Consols	$943,090	
Turkish 4 p.c. Guaranteed Bonds	114,500	
		1,057,590
Colonial Government Securities		463,835
Foreign Government Securities..		1,185,135
Municipal Securities		1,286,680
Railway and other Debentures and Debenture Stocks		4,451,495
Railway and other Preferred and Ordinary Stocks		2,882,995
Indian Railway Annuities Guaranteed		271,895
Ground Rents		1,007,455
Freehold Property		144,300
Reversions		187,865
Life Interests		5,585
Premises Account		5,600
Agents' Balances, viz.:—		
Life..	$ 73,370	
Fire..	427,515	
Marine	212,815	
		713,700
Loans upon Personal Security..		Nil.
Marine Reassurances Recoverable		38,785
Outstanding Premiums—		
Life..	$ 42,470	
Fire	35,450	
Marine..	216,215	
		294,135
Do. Interest		16,635
Fire Premiums due by other Companies..		7,245
Cash:—		
On Deposit	$ 146,900	
In hand and on Current Accounts	326,000	
		472,900
Bills Receivable		164,500
Policy Stamps..		1,840
		$22,457,415

KENNEDY & COLLEY,
Managers for Canada.