

**UNION BANK OF CANADA.**

Established 1865. HEAD OFFICE, Quebec.

Paid-up Capital, \$1,200,000.

**DIRECTORS.**

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Hon. Thor. McGrovy, R. Giroux, D. C. Thomson, E. J. Halo.  
E. K. Webb, Cashier.

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New York—National Park Bank. Boston—Lincoln National Bank.  
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**BRANCHES.**

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Ottawa. Quebec. Smiths Falls. Toronto.  
Winnipeg. W. Winchester. Lethbridge, Alberta.

**LA BANQUE JACQUES-CARTIER**

1862—HEAD OFFICE, MONTREAL 1886

**CAPITAL (all paid up) \$500,000**  
**RESERVE FUND \$235,000**

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**BRANCHES:**

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" (St. Charles) Edmonton, N.W.T. Fraserburg  
" (St. Henri) Quebec (St. Saverus) Hull, P.Q.  
" (Rue Ontario) " (St. John St.) St. Hyacinthe  
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**FOREIGN AGENTS:**

LONDON, ENGLAND. Credit Lyonnais  
Comptoir National d'Escompte de Paris.  
PARIS, FRANCE. Credit Lyonnais.  
Comptoir National d'Escompte de Paris.  
NEW YORK. The Bank of America.  
The National Bank of the Republic.  
BOSTON, MASS. The Merchants National Bank.  
The National Bank of the Commonwealth.  
" " The National Bank of the Republic.  
" " Bank of Montreal.  
CHICAGO, ILL. Letters of Credit for travellers, etc., etc., issued and available on all parts of the world. Collections made in all parts of the Dominion.

**THE**

**CANADIAN BANK OF COMMERCE**

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Jas. Crathorn, Esq. J. W. Flavell, Esq.  
John Hoekin, Q.C., LL.D.

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General Manager. Asst. Gen. Manager  
A. H. Ireland, G. H. Meldrum,  
Inspector. Asst. Inspector.

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TORONTO—Head Office: 19-25 King Street West. City Branches: 712 Queen Street East, 430 Yonge Street, 701 Yonge Street, 286 College Street, 541 Queen Street West, 399 Parliament Street, 163 King St. East.

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CHICAGO—The American Exchange National Bank of Chicago  
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KINGSTON, JAMAICA—Bank of Nova Scotia.  
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Commercial Credits issued for use in all parts of the world. Exceptional facilities for this class of business in Europe, the East and West Indies, China, Japan, South America, Australia, and New Zealand.

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Assurance Company

Head Office. Hamilton, Ont.

Established 1847

CAPITAL and FUNDS over \$16,300,000

ANNUAL INCOME over \$2,700,000

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**THE MOLSONS BANK.**

INCORPORATED BY ACT OF PARLIAMENT, 1855.

Paid-up Capital . . . . . \$2,000,000  
Rest Fund . . . . . 1,375,000

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Letters of Credit issued in all parts of the Dominion, and returns promptly made at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the world.

# SUN INSURANCE OFFICE,

FOUNDED A.D. 1710.

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Transacts Fire business only, and is the oldest purely fire office in the world. Surplus over capital and all liabilities exceeds \$7,000,000.

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This Company commenced business in Canada by depositing \$300,000 with the Dominion Government for security of Canadian Policy-holders.

ESTABLISHED 1870

## Ontario Mutual Life

Head Office, WATERLOO, ONT.

\$20,000,000 in Force.

Reserves on the Actuarial 4 per cent.

Every Desirable Form of Policy Issued.

PROFITS TO POLICYHOLDERS ONLY.

Surplus results declared for 1896, 10 per cent, higher than the estimates.

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Head Office for

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INCORPORATED BY

Montreal

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## The London Assurance

A.D. 1720

Upwards of

175 Years Old

E. A. LILLY, Manager

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Assurance Company of London.

ESTABLISHED 1836.

Capital and Funds, 1895	\$38,365,000
Revenue	8,714,000
Dominion Deposit	200,000

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OF NEW YORK

ESTABLISHED IN 1875.

CHARLES E. WILLARD, President.

### FACTS IN A NUTSHELL.

Year Ending Dec. 31.	Income.	Paid to Policyholders.	Assets.
1875	\$29,146	.....	\$140,507
1880	80,500	\$29,463	157,809
1885	367,517	215,256	242,767
1890	1,563,335	1,065,053	889,027
1895	2,273,533	1,506,412	1,981,455

Several good districts open for active agents.

Apply to

R. H. MATSON,

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1850

THE

1895

# United States Life Insurance Co.,

IN THE CITY OF NEW YORK.

This old and reliable Company now has the experience of forty-five years of practical Life Insurance, which has taught it that the *secret* and *source* of success is the adoption of good plans of insurance, and the pursuit of a liberal policy towards both its Insured and its Agents. These essentials it possesses in an eminent degree, but judiciously tempered by that conservatism which is the best possible safeguard of the policyholder. Its contracts are incontestable after two years. They are non-forfeiting, providing generally for either paid up policy or extended insurance, at the option of the policyholder. It gives ten days of grace in payment of all premiums. Its course during the past forty-five years abundantly demonstrates its absolute security.

Active and successful Agents, wishing to represent this Company, may communicate with the President, at the Home Office, 361 Broadway, New York.

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C. P. FRALEIGH,	Secretary.
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TELEPHONE 681. CABLE, "LEVESCONTE" TORONTO. TORONTO

Telephone 1907. **C. R. G. JOHNSON,** Cable Address: "INDEX"  
AGENT — Fire Insurance — BROKER

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ESTABLISHED 1845.

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Adjuster of Fire Losses  
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Agricultural adjustments a specialty.

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INSPECTOR

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KINGSTON, ONT.

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GENERAL AGENT FOR ONTARIO  
OF THE

Quebec Fire Assurance Company,  
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ESTABLISHED 1845.

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Chartered Accountant,

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47 St. James St. South,  
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Also Agent for the  
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BROCKVILLE LOAN & SAVINGS CO  
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ESTABLISHED 1809.

TOTAL FUNDS EXCEED  
**\$65,157,780.00**

**FIRE & LIFE**

Canadian Investments  
**\$5,564,200.00**

# NORTH BRITISH AND MERCANTILE

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Agents in all Cities and Principal Towns in Canada.

**THOMAS DAVIDSON.**  
Managing Director

ESTABLISHED 1825.

# Standard Life Assurance Company

OF EDINBURGH, SCOTLAND.

HEAD OFFICE FOR CANADA, MONTREAL.

INVESTED FUNDS, .....	\$40,732,590
INVESTMENTS IN CANADA, .....	12,500,000
DEPOSITED WITH CANADIAN GOVERNMENT, over .....	3,000,000

Low Rates, Absolute Security, Unconditional Policies.  
Claims settled immediately on proof of death and title.

No delays.

**J. HUTTON BALFOUR,**  
Superintendent.

**W. M. RAMSAY.**  
Manager for Canada.

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S. F. MCKINNON, Toronto      A. F. GAULT, Montreal



EVERY desirable plan of insurance is issued by this Company. The Yearly Renewable Term-plan with a premium at age 30 of \$7.40 per \$1,000, and the Pension Bond plan with same rates, for both men and women, and for which no medical examination is required, are the latest adopted. No restrictions after first year.

**GEORGE A. STERLING.**  
Secretary.

**R. JUNKIN,**  
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**J. F. JUNKIN.**  
General Manager.

# The Insurance & Finance Chronicle.

Vol. XVI.

MONTREAL, NOVEMBER 1, 1896.

No. 21

## THE Insurance and Finance Chronicle

Published on the 1st and 15th of each month

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Proprietor.

Annual Subscription (in Advance) \$1.00  
Prices for Advertising on application.

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

OUR valued contemporary, *Insurance News*, of Manchester, England, in a recent issue discusses the position and prospects of burglary insurance at some length. The earlier schemes of this nature were weakened by "claims made by goldsmiths and jewellers, whose names should have served as a warning." The *News* considers the main question to be "how to render this business as widely extended and as common as fire insurance. In nine cases out of ten the risk of theft is much greater than that of fire." We are unable to agree with this view, so far as Canada goes, though undoubtedly there is too much truth in there being far greater risk of burglary in an English city or town, and somewhat less risk of fire than in this country. The greater the density of population the greater are the chances of business to burglars, the more easily do they find concealment, and the readier are the opportunities for disposing of their "swag." The most celebrated burglar of modern times lived on a good street in the suburbs of Linden, where he was much respected, as being apparently a man of independent fortune. The respect dropped below zero when this fellow met his fate on the gallows in York jail. Another famous English burglar, whom we heard tried, was a silver chaser who earned large and regular wages, yet who burglarized houses every night, as he said in Court. "just for sport." His chum was an expert locksmith, also a man earning high wages. This country has no such professionals, because we could not provide them with constant work or the prizes they covet. At the same time we have a burglarious class, who are migratory, and especially dangerous, because their visits are too short to give the

police a fair chance of making their acquaintance, as they make the States their headquarters. Household-ers who have never had their homes broken into, or rather sneaked into,—for burglars do not do much "breaking"—can form no idea of the serious affliction of such a visit. To those who have never been victimized it is incredible how very easy it is for burglars to enter the ordinary dwelling house, move about in it after midnight, and escape with plunder without making the least disturbance. The *Insurance News* says in concluding its article "We have great faith in the future of this branch of insurance, and while satisfied with its progress and development so far, look forward to a time not far distant when to be uninsured against burglary will be regarded as equally improvident and unwise as to be uninsured against fire."

### Percentage of Business Failures

AN impression has very generally prevailed for a length of time, that only a very small percentage of those who commence business on their own account succeed. It has been said over and over again, until it had become accepted as a fact, that 95 traders out of each 100 failed sooner or later. Bradstreets have utilized their vast stores of information to test this theory, with the result that examination of the records of the number of firms, individuals and corporations in business, together with the total number of failures in years preceding 1893, indicates that the total number of failures in business of both kinds—that is, those failing to pay what they owe and those which merely fail to succeed—amounted to about eleven per cent. annually of the total number of concerns recorded as having an established place of business, while the total number of those failing, owing more than they could pay, was only a fraction more than one per cent. annually. From such statistics is made plain the untruthfulness of a statistical error which has travelled so far and wide for many years, "that 95 out of every 100 concerns or firms in business failed." The number of failures upon which this idea was based has been augmented by failures which were followed by success. Large numbers of young traders go into insolvency from inexperience, or a mistake of location, or over crediting; and having gone through the fire, they emerge better equipped for success, and very frequently attain it.

### A City Without Taxes.

A CITY where no taxes are levied most persons will conclude is some imaginary place like Lilliput or Utopia. This is not so, as the city of Glasgow, Scotland, can claim to be the only untaxed city in the universe. The profits are so large this year from the municipal enterprises as to furnish enough funds to meet the city's expenditures. Glasgow has led the way in taking over as city enterprises the supply of lighting, street car services, baths and wash-houses, with other minor affairs which yield revenue. The cost of these services has been reduced under municipal management, so that not only do the citizens have their pockets saved by cheap services, but they provide themselves with police, sewers and pavements, by the profits made on the city's enterprises. Glasgow must have a remarkably able and honorable class of civic officials with ample leisure, for such a result to be achieved. The abolition of taxation in this one city will have a profound effect on all the others in Great Britain, where already the movement in favor of municipal enterprises is making headway. It is the question of the day in scores of British cities and towns, where all the old time objections are being simply pooh-poohed in face of what Glasgow has done. We have before us a list of five American cities in which the corporation made a miserable mess of a lighting enterprise. The city of Detroit undertook to find its own electric lights, and rejected the offer of the Detroit Electric Light & Power Company. The result was, the city had to pay \$25 per lamp more than that Company offered to supply lights for. These and other failures of municipal enterprises show that the question has two sides. The citizens have no right whatever to burden their civic representatives with the management or oversight of street car and other enterprises. Civic duties are now too onerous, they keep many of our citizens, whose services would be valuable, from undertaking public duties. We are satisfied that to increase those duties would inevitably restrict still further the choice of the people for civic representatives. Glasgow is certainly a remarkable exhibit, but it will be wise to wait a few years, when enthusiasm has evaporated, before forming a final judgment on the civic enterprise question.

### The Banker's Association Journal

THE October issue of the Journal of the Canadian Bankers' Association is the first number of Vol. IV. The first article is on "The Origin of the Canadian Banking System." The writer supposes he has traced the origin of our banking system to the United States. He bases this untenable theory upon the proposed Charter of the Bank of Lower Canada in 1792, having in it a number of clauses identical with the Charter of the ill-starred bank of the United States. If he had pushed his search more thoroughly, he would have found that the larger part of the clauses in the American charter are such as would serve for any mercantile company, and the merely incidental allusions to banking are not original, but derived from British precedents and prac-

lice. To speak then of our banking system as having its origin in the United States is not sustained by historic facts, which point to Scotland and England as the sources from whence that system was derived. The brief clause in the early American charter which refers to any banking system embodies ideas which are essentially British. The Canadian system is also essentially British in origin, it owes nothing to American examples or precedents, but at various times our bankers have strenuously resisted attempts to introduce American features into our system. A short paper by Mr. George Hague, on "Personal Reminiscences of the late Mr. I. H. King," is a very interesting contribution, which throws light upon a certain period in our banking history, during which the Bank of Montreal and the other banks in Canada were engaged in a very serious contest. That struggle called the Bank of Commerce into existence, which, Mr. Hague says, "rendered important service in filling the void created by withdrawal of funds by the Bank of Montreal." The idea of Mr. King was to make the American system the "origin" of the Canadian in regard to circulation, by compelling our banks to cover their note issues by government securities. Happily this scheme was defeated. Mr. H. M. P. Eckardt's prize essay on "The future of banking" we hope to refer to in a future issue. The Journal contains a report of the Banker's Association annual meeting at Ottawa. We are glad to see an editorial note on the President's address, repudiating responsibility for his views which many of the members present regarded with disfavor as being politically partizan. The October issue is exceptionally strong in reports of legal decisions, and in other respects well maintains the excellent reputation which has been attained by the "Journal of the Canadian Banker's Association."

### The Mutual Reserve and the Pall Mall Gazette.

THE *Pall Mall Gazette* is such a power as to make it a somewhat rash step to provoke its antagonism. The *Pall Mall* some time ago had criticisms strongly adverse to the Mutual Reserve Fund Life Association, to which President Burnham replied by offering to place the books of the Association for examination, and to give personal explanations when desired. The *Pall Mall* thereupon asks why the Association has so largely reduced its English staff recently, and why it circulates a pamphlet in which the *Pall Mall* is misquoted? It goes on to say that its criticisms are based on the Association's publications, which justify all the objections it has raised. This called out a letter from a policy-holder, who complains that his "mortuary call" has been raised 50 per cent., which he attributes to a determination on the part of the Association to "get rid of those who in the natural course of nature should die first," which is the very gravest charge against a life insurance company. This policy-holder considers that he has been badly victimized by what he calls "the rubbishy and ridiculous literature" of the Association. We should much prefer to have the *Pall Mall* with us than against us.

**A Lady's Tribute to Firemen.**

At a recent review of the Metropolitan Fire Brigade, medals and certificates were presented to a number of firemen for conspicuous bravery or skill. The presentations were made by Lady Arnold, who said: "I often read of the deeds of heroes of old, who, when excited by the heat of battle, had done brave actions which often meant taking away life. It strikes me as being much more brave and noble for a man to enter in cold blood a house filled with fire and suffocating smoke to rescue a human life. This is what firemen frequently did, and all honor to them for it. I am proud of you, and I sincerely hope the women to whom you belong are also proud of you." Lady Arnold's words might well be written on every Fire Hall, as they voice the sentiments of every citizen who appreciates the often very perilous services of the Fire Brigade in protecting property and life.

**A Costly Error**

The Mutual Life Insurance Company is reported to have been deprived of its right to appeal in a case involving payment of \$98,000, owing to the negligence of a clerk of the Court delaying registration of the writ of error placed in his hands. Owing to this negligence the Company has been ordered by the Circuit Court at San Francisco to pay the disputed claim, which, with interest and costs, amounts to over \$100,000. We doubt whether this is the end of the case, as our contemporaries generally affirm. It would be an exceedingly dangerous state of affairs were it in the power of the clerk of a Court to deprive suitors of their right to appeal by an act of alleged negligence. A clerk, under such circumstances, could, at his own will, set aside the formal judgment of a Court of law under and by virtue of which the right of appeal had been secured. The Supreme Court of the United States has, we believe, and certainly ought to have, full power to restore the rights of a suitor of which he was deprived under such extraordinary circumstances.

**A Word on Observer's Letter.**

A WESTERN correspondent has favored us with a letter, to be found on a later page. His caustic censure of life insurance companies is too severe for his own purpose, as exaggeration weakens force. He says: "Insurance companies do not, as a whole, appreciate a hard-working, honest agent, they only appreciate the man who sends them in most business." The distinction he draws between these two classes of agents is somewhat unnatural. The companies very naturally test whether an agent is hard-working and honest by his getting business. If he fails in that, of what use are his labors and honesty? An agent is not paid for his virtues, but for his success in doing what he is engaged to do. The honest, hard-working agent who fails to get business has our sympathy, but we doubt if he is engaged in following a calling in which diligence and uprightness bring failure. The salary versus commissions question we dealt with some time ago.

**The Standard Special Issue**

The Editor of the *Standard*, our valued Boston contemporary, has celebrated his twenty-fifth year as an insurance journalist by issuing a special number, which is one of the most artistic specimens of a journal ever published. It is, however, rather a collection of essays upon insurance topics, than an ordinary weekly journal; and when well bound, as it ought to be, will be a valuable addition to the library of all interested in insurance. The work—for such we must regard it—comprises 36 essays, with tables illustrating the progress of various departments of insurance business in the last quarter century, and other interesting matter. The issue is embellished with vignettes of a number of the contributors set in scroll work of elegant design. As each of the essays was contributed by either the President, Manager, Actuary, or Secretary of some prominent insurance company, life or fire, with a special view to publication in the *Standard's* special issue, we need hardly say how rich a mine of experience and information has been drawn upon. We congratulate Mr. C. M. Ransom on his excellent judgment, good taste and enterprise as evidenced in this volume, but trust the special issue of his semi-centenary will be still more valuable and attractive.

**THE ANNUAL MEETING OF THE CANADIAN FIRE UNDERWRITERS' ASSOCIATION.**

Promptly on time the *Thirtieth Annual Meeting of the Canadian Fire Underwriters Association* was called to order by President Evans at 2 p. m. on Tuesday, the 13th October. The place chosen for this year's assembly of the Fire Insurance magnates was the Clifton House, Niagara Falls; a selection made with the expressed object of having the entire service of all members, during the hours of session, undisturbed by private business or other matters. The following members were present at the opening and subsequent sessions, so that a very full attendance was secured.

- F. W. Evans..... } A. N. A.
- A. M. M. Kirkpatrick } A. N. A.
- P. M. Wilkham..... } ALLIANCE.
- M. C. Hinchaw..... } ATLAS.
- P. H. Sims..... } BRITISH AMERICA.
- C. R. G. Johnston..... } BRITISH AMERICA.
- Lansing Lewis..... } CALEDONIAN.
- J. McGregor..... } COMMERCIAL UNION.
- C. R. Butt..... } CONNECTICUT.
- E. P. Heaton..... } GUARDIAN.
- P. A. McCallum..... } HARTFORD.
- G. R. Keatley..... } IMPERIAL.
- J. G. Thompson..... } LANCASHIRE.
- G. F. C. Smith..... } LIV. & LON. & GLOBE.
- A. Wight..... } LONDON & LANCASHIRE.
- F. W. Evans..... } LONDON & LANCASHIRE.
- E. A. Lally..... } LONDON ASSURANCE.
- James Boomer..... } MANCHESTER.
- James Lockie..... } MERCANTILE.
- M. C. Hinchaw..... } NATIONAL.
- Thos. Davidson..... } NORTH BRITISH & MER.
- R. W. Tye..... } NORTHERN.
- Alex. Dixon..... } NORWICH UNION.
- F. Bryers..... } PHOENIX OF BROOKLYN.
- G. M. Smith..... } PHOENIX OF HARTFORD.
- R. McD. Paterson..... } PHOENIX OF LONDON.
- Geo. J. Pyke..... } QUEBEC.
- W. Mackay..... } QUEEN.
- W. Mackay..... } ROYAL.
- W. A. Medland..... } SCOTTISH UNION & NATL.
- H. M. Blackburn..... } SUN.
- J. Killer..... } WATERLOO.
- J. J. Kenny..... } WESTERN.

The President's address was a very interesting and excellent retrospect of the principal features in the history of the Association to date. He referred to the first meeting for the purpose of organization of the C. F. U. A. being held in Toronto, 25th June, 1883. The Tariff for Ontario going into force 1st October following, that for Montreal 12th May 1884, and the Province of Quebec on 2nd June 1884. The original number of companies was thirty, and there are now thirty-two; in the main the same companies, but there have been new ones who have replaced some removed. The change in representatives, however, was more marked. Less than half remained of the original signers of the first Agreement. Feeling reference was made to the removal by death of Mr. E. D. Lacy, Manager of the "Imperial," and regrets expressed at the retirement from active work of a strong supporter of the Association, Mr. Wm. Tatley, and that changes in management had deprived the Association of the assistance of Mr. H. J. Mudge, late Manager of the Queen.

Mr. Evans pointed out the beneficial results accruing to both companies and the general public through the work of this Association. Notice was taken of the fact that, of late years the attitude of the people towards the Association had changed, and it was not now regarded as formerly as a combination for the exacting of exorbitant rates, but rather as one seeking the betterment of the condition of the country in relation to the fire hazard, and reducing the fire waste, by making known what appliances are requisite.

The current year, so far, was considered a very satisfactory one as regards fire losses, always excepting lumber risks, which had entailed heavy losses on some members. The President closed his able report by expressing the hope that by the introduction of the necessary legislation the territory covered by the Association would soon extend from the Rockies to New Brunswick. A cautionary remark was added to "go slow" in making radical changes in rates and rules.

The reports of standing and special committees and of the inspectors and secretaries were read. We have only space to briefly mention a few noteworthy points. The Municipal Insurance Scheme, not receiving encouragement from the Ontario Legislature, is about dead. The system of offering moderate rewards for conviction of incendiaries was found satisfactory, and will be continued. Of nine incendiaries arrested in Montreal, against whom true bills were found, two were brought to trial, one sentenced to seven years imprisonment, the other dying before his second trial, and of the remainder, another has since died, one escaped conviction, three have fled the country, and two are out on bail.

A record of 1,928 risks inspected in 74 places in the Eastern Department, and 1,288 in 166 places in the Western, shows good work on the part of the respective inspectors. Rates on farm risks and dwellings in Ontario were not changed. Lumber rates, contrary to expectation, were not advanced this year. Rates on steamboats, tugs and barges were very properly increased. The Co-insurance Clause received careful

consideration, and it was decided to make no change in the allowance granted to policies with the clause attached. But a change was made in the wording, to meet some legal difficulties which have lately developed. A revised tariff of special and schedule-rated risks was adopted, and will become operative on 1st January next. Sprinkled risks were given much attention, and it was resolved to place them in a separate class and specially rate them. The appointment of a qualified expert as inspector of sprinkled risks was approved. Mr. Frederick Whiting received this appointment.

After discussion it was resolved to extend the benefits of the stamping system to the city of Hamilton at the close of this year.

The meeting by unanimous, hearty consent re-elected as President, Mr. F. W. Evans (Aetna and London & Lancashire) for the ensuing year. Mr. P. H. Sims (British America) was re-elected Vice-President for Ontario, and Mr. E. A. Lilly (London Corporation), Vice-President for Province of Quebec. Mr. A. W. Hadrill received appointment as Secretary, and Mr. W. Robins of Toronto, Assistant Secretary.

After a hearty vote of thanks to the President, this harmonious and successful meeting was closed on Thursday afternoon, the 15th October, having been in session two days and a half.

#### FIRE INSURANCE TAXATION.

A table exhibiting the taxation of insurance companies was laid before the Convention of the Fire Underwriter's Association of the Northwest, by Mr. C. C. Hine. It is indeed an "outrageous" exhibit. Taxation on fire insurance business—for to tax a company is to tax its business—is imposed by fifty-one States. In those States the form of taxation varies very widely. Twenty-three on the list tax the gross premiums by percentages of from one to three per cent. The following table is adapted from the one prepared by Mr. Hine:

State.	Percentage on Gross Premiums	Premiums rec'd. in 1895.	Amount of Taxes.	Percent of taxes to net premis.
Texas.....	1/2	\$3,580,867	\$17,950	4.43
Alabama.....	1	1,099,131	10,990	4.06
D. Columbia.....	1	501,662	5,017	4.05
New Hampshire....	1	939,479	9,395	4.71
Virginia.....	1	1,491,615	14,916	4.09
Arizona.....	1 1/2	119,210	1,788	4.00
Delaware.....	1 1/2	184,958	2,774	6.28
Maryland.....	1 1/2	456,022	27,624	6.05
Colorado.....	2	1,485,570	29,711	6.90
Kentucky....	2	2,651,147	66,278	32.13
Massachusetts.....	2	7,981,114	159,622	9.44
Minnesota.....	2	3,638,293	72,766	15.66
Missouri.....	2	4,924,312	98,486	13.94
New Jersey.....	2	4,030,804	80,600	16.00
New York.....	2	22,042,274	458,845	13.03
N. Carolina.....	2	862,189	17,244	30.24
Pennsylvania.....	2	10,265,067	205,301	13.92
Rhode Island.....	2	968,178	19,363	5.34
W. Virginia.....	2	472,023	9,440	33.59
Wisconsin.....	2	4,438,985	88,780	....
Iowa.....	2 1/2	3,576,803	89,410	13.40
N. Dakota.....	2 1/2	439,313	10,982	17.93
Ohio.....	2 1/2	7,312,627	182,816	....
S. Dakota.....	2 1/2	26,580	9,218	34.65
Tennessee.....	2 1/2	2,047,030	51,175	13.90

Total of above taxes....\$1,740,492

Besides the above list, Connecticut and Kansas tax foreign companies 2 per cent. on gross premiums. There are also other imposts charged, such as licenses,



fees on each county agent, property tax, etc. New York, New Jersey, Illinois, Indiana, Wisconsin, Wyoming are stated to appropriate the taxes in all or part towards fire departments, for this we take to be the meaning of special taxation where an organized fire department exists. The requisite data is not available for ascertaining the gross amount of taxation levied in the United States on the fire insurance companies, but that it amounts to several million dollars is evident. As the net premiums of 51 States amounted in 1895 to \$1,134,495, as stated in Mr. Hine's Tax Exhibit, we are disposed to think that the average ratio of the taxes charged the fire insurance companies to their net premiums will amount to not short of 15 or 20 per cent. The effect is to make the companies tax collectors for the State and municipalities for such imposts as they are subject to have to be reckoned as working expenses, and an adequate addition made to rates to cover such outlays.

#### A FATAL FIRE CATASTROPHE.

On the 16th of October a fire took place in this city, which is likely to be ever remembered, but we trust never paralleled. The destruction of property was serious, but to this the fire will owe no prominence in our annals. The feature which will make it memorable was the tragic death of three firemen—King, Laporte and Charpentier—while engaged in their ever arduous and often very perilous duties. This catastrophe left three wives husbandless, and sixteen children fatherless. About mid-day two girls were working on the third floor of a building on St. Peter street, opposite St. Ann's market, which was occupied by Messrs. Gilmour Bros. & Co., who carried a large stock of druggists' sundries, soaps and fancy goods. There was a small gas stove in use for making paste for labels. While at her work one of the girls was startled by a flash of flame behind her whereupon both ran downstairs to the office, and from which place an alarm was sent which brought down the fire brigade. In a few minutes the whole flat was blazing with a fury which put the firemen in great danger. To secure the water necessary to extinguish such a fire, the water tower was brought into play, which threw an enormous weight of water upon the floor, where sixteen of the brigade were engaged in a desperate struggle with flame. When success was in sight, without any warning, the floor broke, plunging a number of the firemen down to the lower storey, where the lives of three firemen were crushed out by beams, plaster, glass, burning planks and other debris. Several others were injured, who are happily recovering. On the news becoming known the death of those three brave men was felt by every citizen almost as keenly as a personal bereavement.

An inquest was held, which elicited no material facts other than those above stated. There was nothing in the room where the fire occurred to cause an explosion, nor any such outburst of flame as the girl swore to. The fire remains a great mystery. Instantly the fatality was known subscriptions were sent for the bereaved families with the liberality characteristic of this city.

The contributions to the fund amount to about \$15,000. This includes \$3,000 voted by the City Council—which requires ratification by the Legislature of the Province—also \$2,000 from the present inadequate Firemen's Benevolent Fund, the balance being subscribed by a number of citizens. A committee will be appointed to act with the Mayor, the Chairman of the Finance Committee and Chairman of the Fire Committee to administer the fund. This will probably be done in the form of annuities spread over a number of years for the maintenance of the bereaved families, who, under such an arrangement, could be paid \$500 a year during about 12 or more years. Some such scheme is very desirable. It is however earnestly to be hoped that the Firemen's Fund will be placed on such a solid basis that the Firemen would have the satisfaction of knowing that their families would be provided for in case of need caused by any future accidents. A suggestion has been made that each Fireman contribute 50 cents per month towards this permanent fund, which would be supplemented by a substantial grant from the City Council, and an annual contribution equal to the total annual amount contributed by the Firemen. Were this once done, there would be permanent provision made to meet emergencies of this sad character, which is a far more business like, and more charitable way of dealing with a matter of this nature than reliance upon an appeal for subscriptions. The firemen risk their limbs and lives in the public service, the public, therefore, may be justly expected to protect their families from destitution when the bread winner is stricken down in doing his duty in their interests.

The total loss includes damage to the building \$7,000 and losses on stocks as follows. Messrs. Gilmour Bros., \$25,000; Messrs. Goldstein & Co., \$6,500; Messrs. Kearney & Co., \$10,000.

The insurances were as follows: on the building \$7,000 in Royal and Liverpool & London & Globe; the Gilmour stock in Guardian, Northern, Mercantile and British America, the Goldstein stock in Alliance, North America, Queen, Royal & Western; the Kearney stock in Norwich Union & Scottish Union.

#### DEPOSITS OF INSURANCE COMPANIES WITH THE GOVERNMENT.

We understand that attempts have been made from time to time to induce the Government to modify to some extent the regulations of the Insurance Act in respect to the deposits of the insurance companies placed in the hands of the Government for the protection of the public.

The matter is one of vital importance. Only such securities that are beyond question should be received by the Department for this purpose. The first question to be considered is that of safety, and it is, we submit, questionable whether any securities except those of municipalities having a good financial reputation should be accepted. Unless this rule is strictly and in every case observed, it will be difficult to draw the line. Securities, such as those of railways, manufacturing enterprises, or institutions that issue debentures for

placing the amounts thereby raised at higher rates of interest, being more or less of a speculative nature, are not such as the Government would be justified in accepting for deposit in the Treasury for the trust funds of life insurance or other institutions of a like nature.

**ON THE EVE OF THE PRESIDENTIAL ELECTIONS.**

It is now too near Election day for any more extended criticism of what one of the ablest New York journals dubs, the "irrational, immoral, anarchistic yawps of ignorance and folly," known as the free coinage of silver scheme. This, however, we may put on record. Neither the United States nor any other country can afford to adopt a standard which is different to that in vogue in the other great monetary nations of the world. If the silverites be successful in the Presidential elections, it is difficult now to predict the trouble which will inevitably ensue in the general derangement of national and individual credit. Internecine complications little anticipated may develop, and we can only express the hope that the people of the United States will, ere it be too late, calmly consider the situation, and rise in their might as one man to protect the honor and the credit of their country, and sink individual interests in the great issue at stake.

**WHEAT AND SILVER.**

Throughout his campaign Mr. Bryan has expressed contempt for the law of supply and demand as the dominant factor in fixing prices. The one idea of these theorists is that prices have run down solely because gold has gone up in value. The situation at present affords a most striking illustration of the absolute power of the law of supply and demand to control prices. Nothing has recently occurred to affect the value of gold, yet wheat has gone up in two months by 25 per cent., which is a demonstration that the market value of wheat is not, as Mr. Bryan has strenuously insisted, dependent upon the value of gold. In the same period the price and supply of silver have remained stationary. The recent rise in wheat is simply the effect of the proportions being changed between demand and supply from those proportions which prevailed while wheat was at a low figure. Wheat prices were low because supplies were high. Wheat prices are now high because supplies are low. The prices of gold and silver, individually, or relatively, have thus been demonstrated to be no factors at all in fixing wheat prices.

**THE GRAND TRUNK MEETING.**

The half year report presented at the recent meeting of the Grand Trunk Railway in London was looked forward to with more than usual interest, and anticipations of improvement in its finances owing to the change of management. Rumors were current of economies being effected of a radical nature, and changes calculated to enlarge the receipts. The new General Manager, Mr. Hays, has certainly made his mark as a re-organizer, but to what extent he will succeed in

materially reducing expenses and drawing more traffic has yet to be seen, as his first half year is not a fair test of his powers. The first half of each year is always the least in receipts. But this year the receipts from freight traffic were \$5,700,000, compared to \$5,440,000 in the first half of 1895, a gain of \$260,000. This is in part owing to the introduction of more commodious freight cars and better arrangements for handling business. This has involved considerable outlays for rolling stock, of which still greater ones will have to be made before the line is well equipped. This is especially the case with regard to the branch lines, respecting the passenger and freight cars on which complaints are rife. In this respect Mr. Hays is somewhat handicapped in his efforts to secure better financial results, as it is a very costly process to bring the rolling stock of a railway up to a higher standard. The receipts fell short of meeting fixed charges and rentals by \$400,000. We have little hope of these recurring deficits being turned into surpluses by economies and large traffic, so long as the rates are so low. The decline in transportation rates since 1873 is the true explanation of the depreciation in the values of railroad properties. Competition has been so keen as to put a large number of American railroads into the hands of receivers, a fate which the Grand Trunk and the Canadian Pacific have escaped though their finances have been very seriously damaged by carrying freight too cheaply. Since 1873 passenger rates have been reduced on four of the leading U.S. lines as follows:—

	Rate per passenger per mile, 1896 cents.	1873 cents.	Amount saved to passenger on traffic of 1896 \$
Penna. (east of P. & E.).....	1'953	2'658	5,020,114
New York Central.....	1'89	2'06	1,231,48
Chic., Mil. & St. Paul.....	2'357	3'058	3,189,847
Chicago & North Western...	2'05	3'16	4,013,767
Total saving.....			\$13,454,915

The effect of reduced freight rates is shown in following table, for which we are indebted to the New York, *Financial Chronicle*:

	Rate per ton, per mile, 1896 cents.	1873 cents.	Saving to shippers on traffic of 1896. \$
New York Central.....	0'67	1'57	34,870,796
Penna. (east of P. & E.)...	0'563	1'443	71,740,622
Chic., Mil. & St. Paul.....	1'03	2'50	55,653,569
Chicago & North Western.	1'03	2'35	31,315,222
Total saving in freight.....			\$173,580,211
Total saving to passengers..			13,454,915
Total.....			\$187,035,126

While doubtless the rates in 1873 were unduly high, the reaction therefrom was far too severe, as rates have ruled so low as to be unequal to paying running expenses. There is a prospect of the Grand Trunk being brought into closer union with the Joint Traffic Association, and a better understanding being established with its competitors by which its finances will be improved. We are satisfied that an advance of rates which will be almost inappreciable to shippers would put an end to deficits, and provide something for those whose capital is invested in the Grand Trunk—capital out of which Canada has enormously profited.

### LIQUOR TRAFFIC RISKS.

A Committee of Scottish Life offices has investigated, and just reported upon, the risks attendant on the liquor trade, to which the *Medical Press* calls attention. The Committee has been at work since 1890, during which time it has analyzed returns including 79,215 males exposed to risk and 5,856 females. The problem as to the effect of the liquor traffic on the lines of those engaged in it is complicated by such conditions as are common to other trades, such as long hours of work in a vicious atmosphere, and lack of exercise. Exposure to a gas-heated atmosphere creates a craving for stimulants, and is otherwise adverse to prolongation of life. To shorten the hours during which liquor may be sold is a step liquor dealers should favor, as it is favorable to their health. Beer sellers were found to present a death rate of 3.68 per cent. per annum, against an expected mortality of 1.59 per cent. This result is regarded as proof of the beer sellers following a highly hazardous calling, their average mortality being very high. The annual excess per cent. of beer sellers is 2.09, of publicans 1.3, innkeepers 1.0 above the expected mortality; and hotel keepers 0.98, and wine and spirit merchants 0.94 per cent. in excess of the normal mortality per annum. These are figures which our prohibitionist friends will be able to use with considerable effect. The Irish grocers who retail liquor drinkable on the premises pay dearly for the privilege, as their death is 0.84 in excess of that of the Scotch grocers, who have no such right. The point is made that the amount of alcohol consumed increases with opportunity, as no doubt the Irish grocers drink with customers not for love of liquor but for company's sake. Wholesale wine merchants were found to be running no extra risk, but brewers, distillers, waiters, stewards, etc., have an extra mortality of about 10 per cent. over the tabular rate. Females in the liquor trade do not suffer as heavily as males; their sobriety is much greater. The Committee recommends extras being charged proportionate to the extra risks of the different classes of liquor dealers. This report in its general conclusions brings out no novel result, for the extra mortality amongst retailers of liquor has been recognized for many years. But it has unique value in having classified and valued the different risks of those engaged in the liquor traffic, the data of which will be a standard for judging this class of risks, and be of considerable service to medical examiners and the life assurance companies.

### THE MAGNITUDE AND POWER OF LIFE INSURANCE.

An interesting paper on the above subject was read before the Convention of the National Association of Life Underwriters, held at Washington on the 7th, 8th and 9th October, by Mr. Henry C. Ayers, of which the following is a synopsis. The writer of the paper regards the system of life insurance as "the greatest monetary wonder of the age, and next to Christianity, the most potent safeguard of modern civilization." The total amount of insurance now in force is nearly six

thousand millions of dollars, which is over half the total capital of all the railroads in the United States. The aggregate of the life insurance companies' assets exceeds twelve hundred millions, a sum equal to more than half the total money in the States, and greater than the total deposits of all the national banks in 26 of the chief cities. The vastness of this business makes it the most potent agency ever devised for the dissemination of wealth. In 1895 the life companies paid to policyholders over \$125,000,000. In the years 1893-4-5, 689 banks failed in the States, and 22 per cent. of all the railroads became bankrupt, but not a single life assurance company who, in these years, paid out 350 millions of dollars to policyholders or their heirs. The stability of these organizations and their vast distributions of money during years of financial depression had a most wholesome effect upon public credit. Another power of life insurance is moral, its whole tendency and influences are antagonistic to evil in every form, more especially are those evils which are so detrimental to social progress and to business prosperity counteracted by the working of the life assurance system. Upon the sacredness of the home rests the whole fabric of society, and to that sacredness life insurance contributes by protecting families from the disasters incident to the removal of the bread winner when no provision exists for the widow, orphans, or others who were his dependents. A life policy stimulates thrift and industry which are essential to business success, to personal honor, and to manliness of character. As Mr. Ayers said: "A man's life is freer from anxiety by having life insurance. It prevents worry, and prolongs life and usefulness. Worry unfits a man for duty, and sends him to a premature grave. By the fact of having made provision for those dependent upon him a man's ability has been increased for work and for benevolent purposes. The church, institutions of learning, and all worthy objects are benefited, and society advanced by the system of life insurance." The trusts created by insurance are so vast and so sacred as to call for "economy, correct methods, good judgment, and individual integrity," in the management of these institutions, in which features, we venture to say, the life assurance companies of Canada, as well as those of Great Britain and the United States, will honorably compare with any financial institutions in the world.

### THE ANARCHIST IN LIFE ASSURANCE.

The last annual report of the Superintendent of Insurance of Illinois, has some trenchant remarks on the question of terminations, which are especially timely in view of our recent publication of a table of Terminations.

Policies surrendered and lapsed indicate both twisting and hard times. The per cent. of surrendered policies increased from 16.17 per cent. in 1894 to 20.28 per cent. in 1895, and the per cent. of lapsed policies increased from 39.85 per cent. in 1894 to 43.51 per cent. in 1895. The large percentage in lapsed policies can undoubtedly be to a great extent traced to twisting or poaching. The persistent policy holder should be

encouraged; he is the strength of the company. The wise manager of a Life company should devote more energy to retaining its business than to secure new business, and as a means to that end, should impress upon the agents the necessity of looking after and securing renewals. There is a tendency of the part of agents to neglect renewals in the mad rush for new business, and it is one of the evils of excessive commissions on first year's premiums. Would it not be a better policy to divide the first year's commissions into five annual instalments contingent upon the collection of the annual thereon, and while decreasing commissions of first year's business increase the commissions on renewals? The twister does not seek impaired or doubtful lives, but strives for the best risks in his poaching, he makes a point of discouraging the policyholder of a rival company, impairs his confidence in what he has already, and by insinuations, innuendoes, weakens and impairs the faith of the people in all life insurance. He is the anarchist in life insurance.

#### GERMAN MORTGAGE COMPANIES

A German statistician, Dr. Dorn, states the stock capital of 33 mortgage companies in that Empire as \$103,270,000, the current loans as \$1,148,400,000, the bonds issued by the companies as \$1,142,700,000. Dr. Dorn gives the total value of the real estate pledged to secure these loans as \$3,222,222. We suspect there is something behind these figures which would explain why loans have been granted to extent of nearly four times the value of the real estate mortgaged as security for them. Such a mode of doing business could not be safely conducted on this continent. The average interest paid on mortgages in Germany is stated to be 4 to 4½ per cent. The funds for these advances are raised chiefly by bond issues, of a small denomination, which causes them to be popular with such investors as ordinarily place money in savings banks. The same system has been adopted by a few Canadian mortgage companies who do not receive deposits. The plan of relying upon bond issues is much more desirable than that of depending upon deposits for funds to advance on mortgages. A bond is a time loan, on the same or similar lines to a mortgage loan, and it is clearly safer to borrow money repayable at terms as lengthy as money is lent upon, than to borrow money repayable on demand or at a month's notice, which is lent to be repaid in several years. The proverbial thriftiness of Germans has caused an enormous and ever increasing accumulation of capital in the Empire which finds an outlet in domestic bond issues, in the securities of the United States and of other foreign countries. As money accumulates here, there is likely to be a gradual increase in the amount of our loan and mortgage companies' bonds held in Canada, but the day is very far distant when such bonds can be prudently issued on the security of real estate to the extent even of its current market value, much less so for beyond as Dr. Dorn informs us is done in Germany.

#### THE AMERICAN BANKERS' ASSOCIATION.

The American Bankers' Association held its 22nd annual convention at St. Louis in the last week of September. The membership comprises 2,188 bankers, whose annual dues amount to \$328,45. There are many features in the report of the meeting of interest both to Canadian bankers as well as to all having relations with financial affairs. As the Convention was held while all America was throbbing with excitement over the great currency question, the whole proceedings showed signs of the agitation at work. The President, Mr. E. H. Pullen, declared that "financial chaos would speedily result from adopting the free silver scheme, and the whole land would be plunged into ruin and misery." In expressing this conviction the President voiced the judgment of the bankers of the United States: but their judgment on Election day "can be set aside by the votes of as many scavengers, or drain diggers, each one of whose ignorance has as much power in deciding the currency question as the wisdom of the most experienced, most astute, and most statesmanlike financier in America." The President made a sharp protest against bankers "offensively interfering with the business of fellow members," by such methods as "the solicitation of accounts already established," or other forms of competition which would suggest the title of "Society for mutual piracy." The Association has been taking action to restrain the competition of express companies in the issuance of money orders which bankers are called upon cash. These orders are really drafts or bills of exchange, clearly not "express" but banking business. The express companies keep no cash to pay their own drafts, but use the banks in doing a business which is highly injurious to banking interests. Not only so, but with the intent to make banking more costly, they have raised the rates on packages containing currency which bankers have to dispatch in order to provide for meeting the calls of the express companies for cash to pay drafts. Thus these companies not only deprive banks of business, but place upon them the cost of conducting such business by their competitors! Incidentally to remarks on the protective work of the Association, it was stated that two criminals now in custody had robbed banks and other financial institutions of over three millions of dollars. The value of the protection afforded by the Association to members is shown by 31 non-members having been burglarized in 1895, and robbed of \$64,000, while only one attack was made on a member, and that was unsuccessful. Mr. Bradford Rhodes foreshadowed such a degree of unity being established amongst the bankers of the States as would enable them to counteract sudden lapses of credit at weak points. He said: "I anticipate the day when every bank in the Union will be as fully protected from sudden and unreasonable runs upon it as each member of the New York Clearing House Association is protected under similar circumstances." Were the organization of bankers so perfected, as Mr. Rhodes suggests, the knowledge on the part of the public of each bank being buttressed by all the others would prevent "unreasonable runs," for it is a very odd feature of "runs"

that, when people know they can get their money from a bank they never run for it, it is only when this is in doubt that they want it in a hurry. The Canadian banks have taken a step in the direction desired by providing a joint note redemption fund by which the note issues of every bank in Canada are made absolutely secure. A discussion took place on the payment of customers' acceptances, with or without direct instructions. In New York a customer's note is treated as his cheque, it is charged up against him on its due date, and it is certified by the bank just the same as a cheque. There is great difference in practice amongst banks, and some uncertainty about the law, but a bank which does not pay its customer's note when due, and when funds are on hand equal to meeting it, cannot be held liable for any damages arising from such non-payment. The better course, we submit, for various reasons is, for the payer of the note to give specific orders to his banker for its payment, as is the universal custom in the Old Country. To pay a customer's notes off-hand when due without instructions opens the door to frauds and other dangers. Another question was as to the power of a drawer of a cheque to revoke it, or forbid its payment. Different States have contrary laws on this point, in Ohio cheques may be revoked, in Illinois they cannot. Custom seems to make all cheques irrevocable after being accepted by the bank drawn on. But there must be occasions when, even after that has taken place, it is right and just for the drawer of a cheque to have the power to stop its payment. The question as to what a banker must do when a customer has, say, \$2,000 to his credit, and his cheques are in for \$2,200. It is customary to select as many as can be paid, but this involves discrimination against others. We believe there is no help for this, the difficulty can be best met by customers only drawing up to the limit of their deposit. Another question was as to the legitimacy of paying interest on daily balances. In that form we cannot pay this question any respect, for what is legitimate or not is not in any degree involved in paying interest on credit balances. It is a question wholly of management, of economy, no principle is invoked one way or the other. If a bank can get large active resources which it can safely and profitably use by such deposits, no reason can be assigned for their abstaining from attracting them by paying such interest as it can afford. A discussion on the question, "should not the national banking law permit the organization of banks of small capital in small towns?" brought out remarks by an ex-Bank Examiner for the State of Maryland, which were identical with those made by THE CHRONICLE on small banks. He regarded the establishment of such small banks as a menace to public credit. they would be regarded with fear by all good bankers. The proceedings of the United States Banker's Convention will tend to bring about that solidarity of interests which Mr. Rhodes very wisely regards as so desirable, and will do good work in bringing banking practice throughout the States more into harmony than at present exists. The emphatic condemnation too of the silver scheme by representatives of all the leading bankers throughout all the

States will do much to make the vote on Tuesday next an impressive endorsement of sound money.

#### BANKING FACILITIES IN THE WESTERN AND SOUTHERN STATES

The monetary conditions existing in the Western and Southern States are regarded by an English observer as an explanation of the agitation in those sections of the country in favor of free coinage of silver. The farming class in those States have a very tangible grievance. The accommodation they require in moving the crops to market, or storing them, can only be had at a very heavy cost. In their ignorance of banking and currency matters, they are led to associate the dearness of this accommodation with, and to attribute it to, restriction placed upon the issuance of currency by the gold standard, which agitators assure them prevents the free and unlimited outflow of money. The truth is, the farming classes in the Southern and Western States are in precisely the same position as the farmers of Canada were in some years ago before the extension of our banking system through the country towns. The *London Times* contains a letter giving a graphic statement illustrating the unfortunate position of rural traders and farmers in States. At each cross-road is a general store where the proprietor with a small capital, banking and mercantile connections in one or more of the large cities, and plenty of local knowledge is ready to sell farmers all they need on credit, from a mower and reaper to a plug of tobacco. These persons have an open ledger account with each farmer in the locality. They buy everything raised on a farm, credit the seller with it, and pass the amount to his credit. As the storekeeper only ships his purchases of grain when he thinks the market favorable, he has it stored, and insured, or he stores it for his customers and accounts to them when it is sold. Meanwhile the debit balance in his books against each farmer is bearing a high rate of interest, the goods too have been charged at a very high price, and whatever is bought is paid for at the lowest figure. He "fixes the prices at both ends," so the farmers buy in the dearest, and sell in the cheapest markets. Whatever banking a farmer has to do is done inside these general stores on very extravagant terms. The net result of this system is that the entire crops of each farmer are cut down in value by 20 to 30 per cent. from the charges incident to doing business under such inequitable conditions. Governor Altgeld tells them they are the bond-slaves of English gold bugs, which is absurd. But the Western and Southern farming classes really are the bond-slaves of these local general store-keepers, who are also in a certain sense bankers, as well as grain and produce merchants, who dictate at what price a farmer must sell his products, and fix also the prices he must pay for everything he needs. Before the producers of the West and South can enjoy prosperity they will have to throw off the incubus of so wretched a system, and be supplied with the same economical and easily accessible banking facilities as are enjoyed by the agricultural population in Canada.

**THE SEPTEMBER BANK STATEMENT.**

The bank statement for September has had features ever since these returns were compiled which were stamped upon it by the harvest. An increase in circulation of three to four millions may be looked for between midsummer and the fall, with an increase in discounts. This year the circulation at close of July stood at the low figure of \$29,575,380, the September amount was \$32,652,176, an increase of \$3,076,796. The amount of note issues and discount, in same period for past five years, were as follows compared with present year:

	July last	Sept. 9th.	Increase or Decrease
Circulation 1896.	\$29,575,380	\$32,652,176	Inc. \$3,076,796
Discounts "	208,759,940	222,959,682	" 1,199,742
Circulation 1895.	29,738,115	32,774,442	" 3,036,327
Discounts "	20,997,210	197,526,285	Dec. 3,179,925
Circulation 1894.	29,901,772	33,355,156	Inc. 3,553,384
Discounts "	202,720,760	199,773,925	Dec. 2,946,835
Circulation 1893.	33,573,498	35,128,926	Inc. 1,555,428
Discounts "	206,937,558	104,654,180	Dec. 2,283,378
Circulation 1892.	32,488,718	34,927,615	Inc. 2,438,897
Discounts "	189,513,321	288,167,135	Dec. 1,346,186
Circulation 1891.	30,579,668	34,083,051	Inc. 3,503,383
Discounts "	184,509,971	185,902,494	" 1,335,523

It will be noticed that during the years from 1891 to 1896 the circulation expanded every year between July and September, the discounts in 1895, 1894, 1893 and 1892 declined in that period. The diverse movement of circulation and discounts at this period of those years shows how independent of the general conditions

of trade are the special conditions created by the harvest. Trade may be seriously depressed, as it was from 1893 to 1895, and as it still is to some extent, but the crops had to be gathered, handled and moved to market, work which required the assistance of the banks. But for this the decline in the amount of current loans in the years of depression would have been larger, though the farming community is now far less dependent upon banking aid in moving crops, than was the case some years ago, when the bank returns show a very close correspondence between the expansion of circulation between the last summer month and the fall months, and the expansion of discounts. If the agricultural community in the States and their representatives would devote themselves to an effort to establish such economic banking conditions as exist in Canada, they would be engaged in an agitation having promise of success and success would bring relief from most burdensome charges. It is not free silver the farmers need, but free credit. They are not the bond slaves of the East, or of England, as demagogues tell them, but they are in bondage to the local note shavers, who are also general store keepers. The Bank of England has again advanced its rate, the figure now being 4 per cent, which should be high enough to effect the desired check on specie withdrawals, and impose other desirable restraints. What free silver would bring was anticipated in New York, when on a mere rumor that Mr. Bryan was likely to win, money went up to 100 per cent. per annum!

**STATISTICAL ABSTRACT OF THE CHARTERED BANKS OF CANADA.**

*The Items of Official Return, 30th Sept., 1896.*

Assets.	30th Sept., 1896.	31st Aug., 1896.	30th Sept., 1895.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$ 23,254,499	\$23,719,094	\$ 23,535,410	Dec. \$71,604	Dec. \$280,920
Notes of and Cheques on other Banks.....	6,973,648	7,280,493	7,818,912	Dec. 306,845	Dec. 844,364
Due from American Banks and Agencies.....	16,945,600	15,291,453	26,090,316	Inc. 746,147	Inc. 10,644,716
Due from British Banks and Branches.....	9,881,792	10,747,400	6,373,183	Dec. 865,608	Inc. 3,508,609
Canadian Municipal Securities and Brit., Prov. or Foreign or Colonial, other than Dominion.....	9,447,721	9,576,270	9,490,491	Dec. 138,549	Dec. 42,770
Railway Securities.....	11,716,748	11,638,832	10,069,591	Inc. 77,916	Inc. 1,707,157
Loans on Stocks and Bonds on Call.....	13,577,151	13,218,553	17,096,695	Inc. 358,598	Dec. 3,519,544
Current Loans to the Public.....	209,959,682	207,410,954	197,729,334	Inc. 2,548,728	Inc. 12,230,348
Overdue Debts.....	3,756,230	3,061,664	4,538,140	Inc. 95,172	Dec. 781,904
<b>Total Assets.....</b>	<b>324,264,175</b>	<b>322,735,463</b>	<b>321,881,711</b>	<b>Inc. 1,528,712</b>	<b>Inc. 2,382,464</b>
<i>Liabilities.</i>					
Bank Notes in Circulation.....	32,652,176	31,509,154	32,774,442	Inc. 1,143,222	Dec. 122,266
Due to Dominion Government.....	3,633,541	4,049,390	5,600,429	Dec. 415,855	Dec. 1,966,888
Due to Provincial Governments.....	3,870,419	4,417,332	3,911,353	Dec. 559,013	Dec. 36,934
Deposits payable on demand.....	65,271,150	65,264,335	67,774,818	Inc. 562,815	Dec. 1,947,668
Deposits payable after notice.....	12,343,626	12,151,850	116,634,486	Inc. 284,506	Inc. 6,801,730
Do made by Banks.....	2,858,277	3,234,144	2,818,977	Dec. 375,867	Inc. 40,206
Due to American Banks and Agencies.....	257,759	209,157	171,801	Inc. 57,602	Inc. 85,898
Due to British Banks and Branches.....	1,939,897	2,166,101	3,868,660	Dec. 226,504	Dec. 1,928,463
<b>Total Liabilities.....</b>	<b>234,810,603</b>	<b>234,391,104</b>	<b>234,074,548</b>	<b>Inc. 418,459</b>	<b>Inc. 736,055</b>
<i>Capital</i>					
Capital Stock paid-up.....	61,725,299	62,220,759	61,780,328	Dec. 495,490	Dec. 55,059
Reserve Fund.....	26,373,709	29,348,799	27,158,799	Inc. 25,000	Dec. 785,000
<i>Miscellaneous</i>					
Directors' Liabilities.....	7,210,154	7,166,713	7,941,317	Inc. 103,441	Dec. 731,163
Greatest amount of notes in circulation of any one bank during the month.....	33,278,021	31,000,414	33,155,175	Inc. 1,372,607	Inc. 114,846

Deposits with Dominion Government for security of note circulation, amount required being 5 per cent. on average maximum circulation for so far ending 30th June, 1896, \$1,847,981. The disturbance in capital is owing to the reduction of the capital stock of the Ontario bank from \$1,500,000 to \$1,000,000.

# STOCK LIST

Reported for THE CHRONICLE by J. TRY-DAVIES, 23 St. John St., Montreal.

BANKS.	Capital subscribed	Capital paid up	Res. or Reserve Fund	Percentage of Res. to paid up Capital	Par value of one share	Market value of one share	Dividend for last half year	Revenue percent. on investment at present prices	Closing price (per cent. on par.)	When Dividend payable.
	\$	\$	\$	Per cent.	\$	\$	Per cent.	\$ c.		
British Columbia.....	2,920,000	2,920,000	186,000	16.4	100	80 00	4 1/2	80	.....	.....
British North America.....	4,800,000	4,800,000	1,288,431	27.50	25 1/2	257 00	2 1/2	111	117	April Oct.
Can. (Nat. Bank of Commerce.....	6,000,000	6,000,000	1,000,000	16.67	50	67 00	3 1/2	128	133	June Dec.
Commercial Bank, Windsor, N.S.....	500,000	500,000	100,000	20.00	40	43 00	3 1/2	110	115	.....
Dominion.....	1,500,000	1,500,000	1,200,000	100.00	50	118 00	3 1/2	250	250	May Nov.
Eastern Townships.....	1,500,000	1,500,000	750,000	50.00	50	70 00	3 1/2	138	142	January July
Hallifax Banking Co.....	500,000	500,000	200,000	40.00	50	57 00	3 1/2	149	152	.....
Hamilton.....	1,250,000	1,250,000	675,000	54.00	100	151 00	4 1/2	122	125	June Dec.
Hochelaga.....	800,000	800,000	317,000	39.62	100	.....	3 1/2	179	186	March Sept.
Imperial.....	1,983,000	1,983,000	1,156,800	58.36	100	182 50	4 1/2	150	152	June Dec.
La Banque Jacques Cartier.....	500,000	500,000	235,000	47.00	25	23 00	3 1/2	70	70	June Dec.
La Banque Nationale.....	1,200,000	1,200,000	.....	.....	20	.....	3 1/2	90	80	May Nov.
Merchants Bank of Canada.....	6,000,000	6,000,000	3,000,000	50.00	100	164 00	4 1/2	150	152	June Dec.
Merchants Bank of Halifax.....	1,500,000	1,500,000	750,000	50.00	100	161 00	4 1/2	175	185	February Aug.
Molsons.....	2,000,000	2,000,000	1,300,000	65.00	50	86 50	5 1/2	175	185	April Oct.
Montreal.....	12,000,000	12,000,000	6,000,000	50.00	200	426 00	5 1/2	225	228	June Dec.
Ne Brunswick.....	500,000	500,000	250,000	50.00	100	253 00	6 1/2	251	.....	January July
Nova Scotia.....	1,500,000	1,500,000	1,375,000	91.67	100	188 00	4 1/2	188	191	.....
Ontario.....	1,000,000	1,000,000	500,000	50.00	100	84 00	2 1/2	80	80	June Dec.
Ottawa.....	1,500,000	1,500,000	750,000	50.00	100	180 00	4 1/2	180	182	June Dec.
People's Bank of Halifax.....	700,000	700,000	350,000	50.00	50	.....	3 1/2	117	126	.....
People's Bank of N.B.....	180,000	180,000	120,000	66.67	150	.....	4 1/2	117	.....	January July
Quebec.....	2,500,000	2,500,000	500,000	20.00	100	115 00	4 1/2	117	126	June Dec.
Standard.....	1,000,000	1,000,000	200,000	20.00	50	80 00	4 1/2	162	165	April Oct.
Toronto.....	2,000,000	2,000,000	1,000,000	50.00	100	231 00	5 1/2	227	229	June Dec.
Traders.....	700,000	700,000	85,000	12.14	50	.....	3 1/2	.....	.....	June Dec.
Union Bank of Ha. Fax.....	500,000	500,000	185,000	37.00	50	61 50	4 1/2	123	126	March Sept.
Union Bank of Canada.....	1,200,000	1,200,000	600,000	50.00	100	58 50	4 1/2	100	110	February Aug.
Ville Marie.....	500,000	475,000	10,000	2.00	100	85 00	4 1/2	71	100	June Dec.
Western.....	500,000	375,000	10,000	2.67	100	117 00	4 1/2	117	117	June Dec.
Yarmouth.....	500,000	300,000	70,000	23.33	75	88 12	2 1/2	117	120	.....

LOAN COMPANIES.	Capital subscribed	Capital paid up	Res. or Reserve Fund	Percentage of Res. to paid up Capital	Par value of one share	Market value of one share	Dividend for last half year	Revenue percent. on investment at present prices	Closing price (per cent. on par.)	When Dividend payable.
Agricultural Savings & Loan Co..	620,000	626,711	130,000	20.76	50	54 00	4 1/2	108	.....	January July
Brit. Can. L. & Inv. Co. Ltd. ....	1,200,000	88,500	15,000	20.11	100	.....	4 1/2	102	102	Jan. July
British Mortgage Loan Co.....	500,000	114,750	84,000	20.67	100	.....	4 1/2	.....	.....	Jan. July
Building & Loan Association.....	750,000	770,000	112,000	14.54	25	.....	3 1/2	75	75	Jan. July
Canada Perm. Loan & Savings Co.	5,000,000	2,600,000	1,400,000	53.85	50	72 00	4 1/2	134	140	Jan. July
Canadian Savings & Loan Co.....	750,000	722,000	190,000	26.47	50	55 00	4 1/2	109	109	June Dec.
Can. Landed & Nat'l Inv't Co. Ltd.	2,000,000	1,001,000	35,000	31.96	100	107 00	3 1/2	105	108	Jan. July
Central Can. Loan & Savings Co.	1,500,000	1,500,000	45,000	3.00	100	119 00	1 1/2	118 1/2	121 1/2	Jan. July
Dominion Sav. & Inv. Society.....	1,000,000	902,500	10,000	1.10	50	39 50	2 1/2	50	81	July Dec.
Freehold Loan & Savings Co.....	3,225,500	1,509,100	650,520	43.14	100	100 00	3 1/2	100	106	June Dec.
Farmers Loan & Savings Co.....	1,007,250	611,340	167,170	27.34	50	.....	3 1/2	85	85	May Nov.
Huron & Erie Loan & Savings Co.	3,000,000	1,400,000	200,000	14.29	50	81 50	4 1/2	109	107	Jan. July
Hamilton Provident & Loan Soc. ....	1,500,000	1,100,000	64,067	5.80	100	.....	3 1/2	110	115	Jan. July
Imperial Loan & Inv't Co., Ltd. ....	810,000	716,000	20,500	2.89	100	101 50	3 1/2	100	106	Jan. July
Landed Banking & Loan Co.....	700,000	674,811	155,000	22.85	100	113 00	4 1/2	113	116	Jan. July
London Loan Co. of Canada.....	670,700	670,700	74,000	11.03	50	4 00	3 1/2	101	101	Jan. July
London & Ont. Inv. Co., Ltd. ....	2,750,000	550,000	10,000	2.00	100	.....	3 1/2	102	102	Jan. July
Land. & Can. L. & Ag. Co., Ltd. ....	5,000,000	500,000	40,000	8.00	50	110 00	4 1/2	95	98	Jan. July
Land Security Co. (Ont. Legals). ....	1,300,000	585,318	150,000	25.62	100	.....	3 1/2	100	100	March Sept.
Man & N.-West L. Co.....	1,500,000	375,000	111,000	29.60	100	100 50	3 1/2	100	100	.....
Montreal Loan & Mortgage Co.....	.....	.....	.....	.....	50	.....	3 1/2	121	125	July
Ontario Loan & Deb. Co., London, ..	2,000,000	1,200,000	14,000	1.17	50	62 50	3 1/2	121	126	Jan. July
Ontario Loan & Savings Co., Oshawa	300,000	200,000	25,000	12.50	50	62 14	4 1/2	124	124	Jan. July
Ontario Industrial Loan & Inv. Co.	400,000	211,111	150,000	47.12	100	121 50	3 1/2	124	124	Jan. July
People's Loan & Deposit Co.....	900,000	400,000	170,000	19.17	40	.....	.....	35	35	Jan. July
Union Loan & Savings Co.....	1,000,000	600,000	200,000	20.00	50	.....	3 1/2	100	100	Jan. July
Western Canada Loan & Savings Co.	3,000,000	1,500,000	750,000	50.00	50	72 00	4 1/2	110	112	Jan. July

MISCELLANEOUS.	Capital subscribed	Capital paid up	Res. or Reserve Fund	Percentage of Res. to paid up Capital	Par value of one share	Market value of one share	Dividend for last half year	Revenue percent. on investment at present prices	Closing price (per cent. on par.)	When Dividend payable.
Bell Telephone.....	3,100,000	3,618,000	800,000	22.12	100	.....	4 1/2	157	165	.....
do New.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
do Bonds.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Canada Col. Cot. Mills Co.....	2,700,000	2,700,000	.....	.....	100	.....	.....	107	115	.....
Doni. Col. Mills.....	.....	.....	.....	.....	.....	.....	.....	40	60	.....
Montreal Telegraph.....	2,000,000	2,000,000	.....	.....	.....	.....	4 1/2	101	101	.....
Montreal Gas Co.....	7,000,000	1,400,000	.....	.....	10	.....	6 1/2	175	175	.....
Montreal Street Railway.....	4,000,000	1,800,000	.....	.....	60	.....	1 1/2	170	210	.....
do Bonded Debt.....	1,000,000	.....	.....	.....	.....	.....	.....	.....	.....	.....
Montreal Cotton Co.....	1,000,000	1,400,000	.....	.....	.....	.....	4 1/2	130	.....	.....
Richelieu & Ont. Nav. Co.....	1,500,000	1,250,000	250,000	20.00	100	.....	3 1/2	84	70	.....
Toronto Street Railway.....	6,000,000	6,000,000	.....	.....	100	.....	.....	65	70	Jan. July
do Bonded Debt.....	2,800,000	.....	.....	.....	.....	.....	.....	.....	.....	.....
Canadian Pacific.....	65,000,000	65,000,000	.....	.....	.....	.....	4 1/2	101	101	April
Duluth S.S. & Atlantic.....	12,000,000	12,000,000	.....	.....	100	.....	.....	4	5	.....
do Prof.....	10,000,000	10,000,000	.....	.....	100	.....	.....	7 1/2	12	.....
Commercial Cable.....	10,000,000	11,000,000	.....	.....	100	.....	3 1/2	14	114	Quarterly
Postal Telegraph.....	15,000,000	15,000,000	.....	.....	.....	.....	.....	80 1/2	81	.....
Royal Electric.....	1,250,000	1,250,000	.....	.....	100	.....	4 1/2	109	.....	Quarterly
North-West Land Com.....	1,175,000	1,175,000	.....	.....	100	.....	.....	40	50	.....
do Prof.....	500,000	500,000	.....	.....	.....	.....	.....	125	148	Jan. ....
Diamond Glass Co.....	500,000	500,000	.....	.....	100	.....	.....	20	50	.....
Intercolonial Coal Co.....	500,000	500,000	.....	.....	100	.....	.....	75	75	Jan. ....
do Preferred.....	250,000	250,000	.....	.....	100	.....	.....	100	115	.....
Canada Central.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

\* Quarterly. † Ex dividend

The Stock Market has shown marked strength for bank shares, owing to anticipation of improved business condition resulting from the advance in the price of which. The more active stocks have fluctuated with the waves of feeling in the American markets. A list of dividends recently declared by banks will be found amongst Future Dates.

### THE BANKING SYSTEM OF CANADA.

The system under which the banks of Canada are organized and conducted is not original, it is not based on any theory, but has "grown up with the country." The business conditions of the people, the requirements of its commerce, and the experience of bankers trained in Scotland and England, or imbued with the conservative financial principles of British banking, have been the formative forces and influences by which the Canadian banking system reached its present shape. To use an architectural phrase, the banking system of Canada belongs to the "Composite Order," as it embodies features derived from the several banking systems of Great Britain, with modifications by which it was specially adapted to the service of Canada. The admitted superiority of this system as now developed is owing to its having been framed almost in its entirety by practical bankers, and not by politicians, nor to any extent in the interest of any political party. Although the various Acts which, from time to time, have been passed by the Parliament of Canada affected very closely the interests of the people generally, there has never been any popular agitation raised for the purpose of influencing legislation in regard to the interest of banking in the Dominion. Nor has there ever been in Canada any unfriendly feeling manifested towards bankers, nor any general disturbance of confidence in their stability or integrity. Panics which wrecked many of the banks of other countries, or put them to serious embarrassment, have passed over Canada without bringing disaster to a single bank.

It would be too lengthy a narrative to pass in review the successive stages by which the country known as the Dominion of Canada was developed. A brief review will, however, be found helpful and interesting. Up to 1841 Canada was a group of independent provinces, governed by Great Britain. In that year the two main sections, Quebec and Ontario, or Upper and Lower Canada, were united, and given responsible government. Further unity was found necessary, so in 1867 the four provinces, Ontario, Quebec, New Brunswick and Nova Scotia, were welded by an Imperial Act into the Dominion of Canada, to which, at later dates, Prince Edward Island, Manitoba and British Columbia were added. When the Dominion was organized, the whole territory now comprised in the term Canada is estimated to have had a population of about 3,000,000. The foregoing will enable the reader to understand what caused the variations in regard to banking legislation which prevailed before the present Banking Act brought all the banks of the Dominion into line. In the closing years of the last century the currency of Canada was in a deplorable state, paper and coins being in use of fluctuating and doubtful value. In 1792, 1796, 1808, 1809, British and Provincial Acts were passed to bring the currency into a better condition, and to establish banks.

The Banks of Montreal and of Quebec were the two first joint stock banks to be established, charters for which were granted in 1821. From 1821 to 1836 others were founded, amongst them the Bank of British North

America, having a Royal Charter. In 1834 trouble arose from the States having fixed a gold standard, owing to which the coins of Canada were largely withdrawn for use in America. At that time the issue of small notes was wholly in the hands of the Provincial Legislature. To relieve the pressure, the banks in 1835 were licensed to issue notes to the extent of the government debentures they held, which vicious system still obtains in the United States. In 1837 trouble again arose from the American banks collecting Canadian bank notes, changing them into gold and exporting it, which led to the suspension generally of specie payments in Canada for the first and last time. In 1841, in order to restore confidence in the banks, the "double liability" clause was introduced, making shareholders liable for the debts of the banks to double the amount of their shares. In the same year a tax of 1 per cent. on note issues was enforced, another feature still in force in the States. In 1850 this was abolished, and all right to issue notes withdrawn from private banks. By same Act the banks were required to send a monthly return to the Government. In 1866 an issue of Provincial notes was provided. In 1867, the four provinces, Ontario, Quebec, Nova Scotia and New Brunswick, were united as the Dominion of Canada, and, at later dates, Prince Edward Island, Manitoba and British Columbia were added.

Up to the date of Confederation, 1867, considerable confusion had existed in respect to the currency and the organization of banks. Taking, however, a general view of Canadian banking history up to 1867, we discern a steady purpose to have the banks of Canada made strong institutions by being based upon a large amount of subscribed and paid up capital, with limited privileges as to note issues, protected by reserves in some form. These early conditions gave the banks such prestige as created the confidence necessary for securing deposits, though up to Confederation these were very small, as the circumstances under which the country had been developing—its peace being continually menaced—were not favorable to the increase of savings. From an early date also, we discern marked signs of an independence of spirit which lead to encroachments of the Government upon the business of banking and undue interference with their affairs, being successfully resisted. By the British North America Act, under which the Dominion was made a unity, the central Parliament was given the exclusive control over legislation affecting banking, the incorporation of banks, and issue of paper money. The Provincial Legislatures were restricted to local matters outside the regulation of Trade and Commerce, Currency and Coinage, Bills of Exchange and Notes. By this wise limitation it was made possible, as it was seen to be desirable, to bring all the banks in the country under one Act, by which a common system and harmonious methods were established. At the date of Confederation, 30th June, 1867, there were 28 banks in the Provinces which were then united. They had an aggregate capital paid up of \$32,500,000, a circulation of \$10,000,000, with deposits of \$31,000,000 including



those of the Provincial governments. Their cash reserves were \$8,200,000, and bills under discount, \$54,899,000. These banks were acting under charters varying in conditions and time. The country was then entering upon an era of expansion which led to the organizing of a number of new banks, and an increase in the capital of existing ones.

In 1871 a great fight took place between the Government and the bankers, over certain proposed changes in the Bank Act. The attempt to compel the banks to cover their note issues by government securities—a revival of the old heresy—was foiled, the bankers having proved themselves far more powerful in argument than the Finance Minister and his colleagues. Changes were made, however, restricting the banks to note issues up to the amount of their paid up capital, and prohibiting dividends being paid over 8 per cent, until a strong Reserve Fund had been laid up. At the same time the Savings Bank Act was passed, although much opposed by bankers, who argued that it was contrary to public welfare for public deposits to be withdrawn from use in business for investment in canals and other public works. It was urged that the Government would embarrass bankers by giving a higher rate of interest than the market value of money justified. Subsequent experience has proved that judgment to have been sound.

*(This article will be continued in our next issue)*

## Obituary.

### THE LATE ROBERT McLEAN

The announcement to the meeting of the Canadian Fire Underwriters' Association on 14th October, of the death on the previous evening of their valued Secretary, Mr. Robert McLean, though not wholly unexpected, was received with great sorrow, that, while generally shared, was perhaps felt most keenly by the Western members who had been most in intimate contact with the deceased. It was well understood by all, that a faithful friend, a most efficient officer, and conservator of the Association and its principles and objects, had been lost to it. The older members of the C. F. U. A. called to mind how, in his 67th year, Robert McLean, undaunted by the manifest difficulties to be surmounted and the labors ahead of him, undertook the task of organizing, with the help of a few friends of the cause, that splendid and representative corporation known as the Canadian Fire Underwriters' Association. To his untiring energy, pluck and endurance, to his perseverance and industry are due the fact that the foundations of this Association were so "well and truly laid," and an excellent superstructure reared thereon, of permanent use and benefit to the Insurance Companies, its members, and the public of this Dominion. Interwoven with the incipient years of the Association were the later years of his life; to the last, his business faculties were employed on its behalf, his desire was ever for its perpetuation; and in its service he died. Let it be his fit memorial—his enduring monument!

It was a pathetic incident, the reading of Mr. McLean's letter of resignation of the secretaryship at the first meeting of the Association on the 13th October, he being at the time in his dying hours. The letter was referred to a committee to consider and draft a reply to, but their duty on the ensuing morning was sadly changed in framing a resolution of regret and sympathy to the bereaved family.

This Resolution, as follows, was unanimously carried by a standing vote.—

The Canadian Fire Underwriters' Association, now in session at Niagara Falls, having heard with deep regret of the death of Mr. Robert McLean, who since the formation of the Association, thirteen years ago, has filled the office of secretary with such marked efficiency as to secure the respect and personal regard of all its members, desire to place on record an expression of the great loss which the Association has sustained by his death. The members tender the family of the deceased their sincere sympathy in their "affliction."

It was further Resolved:—

"That the members of the Association attend the funeral, and that a suitable floral tribute be sent."

### FINANCIAL ITEMS

The public revenue for year ending 30th June last amounted to \$35,659,775, being \$2,540,295 in excess of 1895, the bulk of which came from Customs.

The mineral output from British Columbia in the first half of this year amounted to \$2,200,000, exceeding the total value of the year's output in 1895.

The Montreal Street Railway Co's annual meeting will be held this week, when, rumor says, 25 p. ct. more new stock will be issued, raising the capital to \$5,000,000. Funds are required for new rolling stock, extensions and improvements.

The People's Bank has arranged to pay its depositors a further instalment of 25 per cent. The process of liquidation is made unusually slow, owing to the nature of the assets which are chiefly in real estate. A movement is said to be on foot to annul the charter of this bank on the ground of its never having been strictly legal, it certainly never was of such a character as it was understood to be until the collapse caused its extraordinary provisions to be made public.

Various items—The United States national banks in last 25 years paid average dividends of 8 per cent., but in recent years the average was below 7 per cent.—American breweries owned by British capitalists have an aggregate capital of \$91,200,000. The dividends varied from 1½ to 10 per cent.—England's debt has decreased 620 millions of dollars since 1875.—A considerable number of municipalities in the States have had to place a "payable in gold" clause into their bonds before they could get a bid for them. Canadian bonds are all on a gold basis.—The Philadelphia Press gives the average interest-earning revenue of United States Government bonds for some years past as below 3 per cent.—The City of Glasgow will levy no taxes next year, as all the revenue required will be derived from profits on municipal enterprises.—Sales of lumber at Ottawa were made a few days ago to amount of 2 millions.—Nickel mining properties have recently been sold for \$350,000.

Mr. R. Richardson, manager Bank of Montreal, Belleville, has been superannuated, and Mr. J. R. Crombie, some time manager at Kingston, succeeds him.

Edward H. Horner is in custody in this city, charged with a breach of the Lottery Act. He was operating under the title of the "European American Investment Company." Strange to say, a number of persons here and in the States, who were perfect strangers to him, intrusted him with their money for investment, for which they were to receive bonds of a highly peculiar and worthless class, if they ever existed, which seems doubtful.

The following banks have declared dividends for the past half year as follows:—

	Rate for half year per cent.	Payable		Rate for half year per cent.	Pay- able.
Montreal.....	5	1 Dec.	Imperial.....	4	1 Dec.
Merchants.....	4	1 Dec.	Hamilton.....	4	1 Dec.
Commerce.....	3½	1 Dec.	Standard.....	4	1 Dec.
Dominion.....	3*	2 Nov.	Hochelaga.....	3½	1 Dec.
Toronto.....	5	1 Dec.	Traders.....	3	1 Dec.
Quebec.....	3	1 Dec.	Ontario.....	2½	1 Dec.
Nationale.....	2½	2 Nov.	Ville Marie.....	3	1 Dec.

\*This is a quarterly dividend.

## Correspondence.

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

### TORONTO LETTER.

*The final, of the Watrous Steam Fire Engine—The City accepts the offer of the Insurance companies—The domestic phase of the C. F. U. A. Meetings at Niagara—Met at Quebec next year—In Memoriam Robert McLean.*

DEAR EDITOR,

I notice in the papers that the Watrous Steam Fire Engine, having failed to satisfy the requirements set forth in specifications, has now been finally withdrawn by its makers, and with it their tender to supply the city with a Steam Fire Engine. Tenders will now again be called for, and we are no nearer getting possession of this very necessary "appliance" than we were last spring. Meanwhile we can only hope that no pressing need of the services of an extra engine arise.

After weeks of deliberation the city authorities have accepted the very generous offer of the insurance companies interested in the fire loss at the Exhibition stables last July. To save appearances and show carefulness, an additional \$400 or so was tacked on the amount offered by the companies; but a trifle like that was not allowed to further delay a settlement, and so it was sanctioned, and the matter closed. This compromise was reached by the companies waiving their evident rights, as set forth in the City's own printed schedule, to the effect that in event of loss, not more than \$200 would be claimed on any one stable, and by allowing the plea of the city that such stipulation was made in error. The companies therefore pay 50 per cent. of the appraised value of these buildings, presuming it was the intention of the city to have insured so much. The companies and the city are now happily out of this muddle.

Amid the mists and thunders of Niagara Falls, with an environment of natural and artificial beauties of divers kinds—scenic effects, ever changing with the changing lights and shadows of day and night, the members of the C. F. U. A. seem to have had a pleasant time on the occasion of their 13th annual meeting. They enjoyed the shelter and after-noon accommodations of the "Clifton House," I will not say, the *Aspenite*, it is too tender a word to apply to the circumstances. The hotel management did not seem to appreciate, after the first evening, the patronage of the insurance man. It may be that the resurrection and attempted application of old time Niagara

charges (you know what this means) for "extras," liquid and otherwise, objected to, as it was, may in measure explain things. The weather was lovely, and of the Indian summer variety. Of a like gentle character and mildness was the tenor of the meeting, not a single unpleasant or untoward incident occurred throughout. In a word, all was harmonious. It was agreed that holding meetings outside of Montreal and Toronto was a good idea. Several members expressed the hope that the next annual meeting be held in the city of Quebec. You will no doubt have your usual report of the proceedings at Niagara in this issue, and I need only say that evident care was taken to restrict the frequent tendency to extra rulings and regulations, and so add to the already sufficiently voluminous legislation. An open congress of this kind once a year levels up differences, adjusts tangles, airs opinions, and altogether is a salutary measure, with the trouble and expenditure involved in its action.

The sad news of the death of Mr. Robert McLean, secretary of the Association, on the night of the 13th inst., arriving while the meeting was in session, greatly affected the members. To his faithful services in connection with the Association, and the loss sustained by his death, ready lips of the older members in heartfelt expressions testified. The usual Resolution of regrets and condolence was passed, and members desired to attend the funeral.

Of the obsequies of the dead Secretary, I may personally speak. His many friends thronged to pay their last tribute of affectionate respect to his memory. The members of the C. F. U. A., of the Toronto Board, and the fire and life insurance profession generally, were conspicuous among these and representatives of different societies. From far and near other representatives came, evidencing the esteem and respect that during his long and active life Mr. McLean had won for himself in the hearts of all with whom he had come in contact. The greater part of those who attended the services at the house followed to the Mount Pleasant Cemetery; of these the lesser part remained until such time as, committed to the earth, the fresh sodded mound showed where reposed their dead friend. The closing scene—a gray sky broken towards the west by occasional gleams of sunlight, the while a bleak chill wind swept over the exposed plateau—the sadly reverent faces of the onlookers—the stillness—the memories—the precincts of the dead; these features of the instant were memorable and impressive. Just, honorable and upright in all his dealings; staunch and firm in his opinion almost to stubbornness, yet withal fair to those who differed with him. A good husband, good father, good friend, good citizen, and beyond these a good christian, died Robert McLean at the ripe age of eighty years. His life and the record of it may be pointed to as an example to follow, and of his peaceful, closing hours, fitly may each of us say, in the words of the prophet of old, "Let me die the death of the righteous, and may my last end be like his."

Faithfully,

ARIEL.

TORONTO, 28th October, 1896.

VANCOUVER, 22nd Oct., 1896.

The Editor,

SIR,—

I have just received your issue of 15th inst., which, as usual, is full of useful information on various topics of the day. I always look forward with great pleasure for the arrival of your CHRONICLE. Under the head of "Banking View of Insurance Frauds" I have read your Editorial, and am pleased with same.

You say, "We should have appreciated some suggestions from the Bankers as to measures advisable for protecting life insurance companies from such frauds as they are victims of." The only way to protect themselves (life companies) from such frauds is to pay their agents a fair salary and actual travelling expenses, then the agents will be more careful in the selection of risks.

When agents have only to live by a commission, and pay their

expenses too from that same, you cannot expect that they will be over anxious to look around for some person to inform them as to the previous habits of the applicant who is sure to pass the medical examiner and yield the canvasser from 60 per cent. to 90 per cent. of the amount of 1st premium, which is the agent's only source of income; whereas if he had his salary and expenses certain, he would take more pains to find out the antecedents of some applicants. An agent is a human being; you must remember, too, that the company is anxious to get a large business, and by giving a single or brokerage commission and nothing on renewals, they encourage frauds and deserve to be bitten.

Insurance companies do not, as a whole, appreciate a hard working, honest agent; they only appreciate the man who sends them in most business, and that man says that "self preservation is the first law of nature."

You wrote fully on this line some months ago, but companies are slow to adopt sound advice so long as they can get a large business

OBSERVER.

## Notes and Items.

Insurance against losses by chimney pots being blown down is advocated by a writer in the *Insurance Record*.

The palm for safety is due to electric lights over any known method of illuminating, says the *Weekly Underwriter*.

The New England Insurance Exchange has altered its rules so as to include boot and shoe lasts under the head of "machinery," instead of requiring specific mention, as heretofore.

A verdict carrying damages for \$3,500 has been tendered by a jury at Binghamton, N.Y., against the Local Water Works Company, owing to a loss to plain tiff by a fire when there was no water pressure.

Mr. Digby Johnson, General Manager of the Lancashire Insurance Co., is expected in New York during this month. He will appoint Mr. Raser's successor, who has been appointed Manager of the Magdeburg.

The Midland Fire Insurance Corporation a non-tariff office, has just been organized in England, with capital of \$2,500,000, one-fifth to be at once paid in. Mr. Parkinson, manager for the Kent at Birmingham, is general manager.

The Policy Holder, of Manchester, has removed to more commodious offices on Lloyd St., close to the Town Hall. We wish our valued contemporary the best of good luck in his new premises, which are in a very excellent location.

The Royal Exchange Assurance Corporation has taken over the North Yorkshire Agricultural Fire Office, established at North Allerton in 1878. This is regarded as a sign that the Royal Exchange will follow this step by absorbing other small companies.

Motor carriages now coming into use in Europe will greatly increase the risks of stables, and other out-buildings of country inns, where, instead of hay and oats, petroleum and coal will have to be stored. The Norwich Union *Magazine* sees danger ahead to insurance interests from horseless vehicles. One danger arises from livery stables becoming less and less valuable, thus increasing the moral hazard.

The American Miller attributes the numerous fires in flour mills to carelessness, they give verbal assent to whatever changes are suggested by inspectors to reduce risks, but are apt to wait until a fire occurs before making the change desired. A rise in rates would spur them into more promptness.

Peroxide of Sodium, a new bleaching agent, has been declared dangerous unless entirely separated from combustible matter, and kept in tight, strong metallic packages. The peroxide develops great heat when moistened, and if in contact while damp with combustible matter, there is liable to be an explosion.

The Insurance Spectator of London calls attention to the bonanza some life offices have had by insurance on the life of the Queen. The extra alone charged on members of the Royal Family has in one case accumulated to more than the sum assured. We trust the Company will go on making profits from this policy.

Judging from the frequency of collapsing fraternal assessment and wild cat concerns, some cog or flywheel has given way. Even the best of fraternal and assessment associations are doomed to an early collapse, as their fundamental principles are as a sieve and the support as the washing sand beds.—*Daily States*.

Chatham, Ont. is to be lowered by the Underwriters from class B to class C, and ordinary mercantile risks raised 5 cents per \$100. Three year risks, factories, and risks specially rated will be left as they are, until after re-inspection, when any change will depend upon the state of the fire service, which is below what such a town requires.

Dominion Safety Fund Life Association. The Finance Minister has directed assets to be retained to cover the net surrender value of policies in this company. The list of policy holders and amounts tendered is given as follows: Martin Garvin, Parrsboro, N.S., \$2,000, amount tendered \$7.02; Charles Morris, Harvey, N.B., \$1,000, tendered, \$1.11.

The Bradford, England, Corporation has decided to carry its own insurance on corporate property. To do this scheme it will appropriate \$25,000 a year from the profits of the Corporation gas works, with \$2,500 to \$3,000 annually representing the premiums that have been made. The taking of \$25,000 a year from gas profits shows that they do not expect to meet losses out of the premium fund.

Burglary insurance is developing a new crime analogous to arson committed to defraud fire insurance companies. Cases have occurred of persons burglarizing their own premises, if the phrase is allowable, they cleared out goods themselves, and then made a claim for loss of them under a burglary insurance policy. One person was convicted of this by his having drilled a hole in his shutter from the inside, which led to his arrest. Another phase this of "moral hazard."

The most dangerous hours for fires are stated by the chief of the London Salvage Corps to be, first, early morning, when house and office fires are being lighted; next, dinner hour, when factories are vacated; the third and worst time is from 6 to 8 at night after warehouses are closed. It is clear from this that lighting and stoking fires at those hours causes the early morning, noon, and early hours of night to be especially dangerous. Some practical suggestions to reduce these risks would be in order.

Compensation for bicycle accidents has been fixed by English accident companies as follows: Fracture of knee cap, \$60; lower jaw, \$50; broken fingers, \$20; do. rib, \$25; collar bone, \$25; great toe, \$50; dislocated wrist, \$25. The fracture of fingers seems to us a far worse accident than a broken rib, or even a knee cap fracture, as if the fingers are made useless their owner is in a serious position, while a rib or knee cap broken he may be only laid aside for a week or two.

Chicago has had a far better record this year so far than in 1895. The chief of the fire department reports as follows, says the *Record*:

	1896.	1895.
Number of fires.....	3,355	3,996
Total valuation of property..	\$70,523,795	\$84,674,136
Total losses.....	1,008,735	1,754,000
Total insurance.....	42,016,160	53,308,505
Insurance over loss.....	41,078,540	51,725,375
Loss over insurance.....	71,115	172,930

A warning against irresponsible brokers is raised by the New York *Bulletin*, owing to the disappearance of a broker whose frauds made him decamp. Our contemporary gives the following advice:

"Don't pay insurance money to strangers. Don't leave a first-class, influential brokerage house merely to make a slight temporary saving in cost. Don't imagine that an old and influential broker's experience, large business and 'pull' count for nothing in the long run. Don't hunt for cheap insurance of the 'probably good' kind, as it is like a 'tolerable' egg."

The *Spectator*, London, says something it refers to is like "the American barbers who offered to shave for nothing and give a drink in." Yankee barbers are not built that way. At Doncaster, England, we have several times read on a barber's sign, "What do think I will shave you for nothing and give you some drink." This puzzled us in early life. The barber when appealed to read it thus: "What! do you think I will shave you for nothing? and give you some drink?" In that old town were several other humorous signs, such as the Public House, called, "Labor in vain," having a sign board showing a negro in a washtub.

Estimates for old age and invalid insurance in the last German Budget are \$4,475,000, as quoted by *The Insurance List*. In 1892 the expenditure was only \$1,850,000, since when the expenditures have been increasing at the rate of about \$750,000 yearly. When the scheme was organized, it was asserted that no increase of expenditure need be apprehended, yet in seven years it has trebled. Our English contemporary points out that this State insurance scheme has worked out just as actuaries predicted. "Business is business," and charity is charity, they cannot both be made the governing force in any form of insurance.

The Citizens Insurance Company of Canada brought suit to recover \$2,000 from Messrs. Parent & Derome, who were sureties for one Coderre, who was in the company's service, he being indebted to the plaintiffs for near that amount. The plea of defence was that, when the surety bond was signed, Coderre was already in arrears to extent of \$1,823 to the company, that the sureties were not aware of this, nor informed of it, and the bond was not retroactive. Mr. Justice Curran decided that the defendants were only liable for the amount up to which Coderre had fallen into arrears after the surety bond was executed, and ordered this sum, \$428, to be paid to the Citizens Insurance Company, with costs.

The genius of the amiable sex for scolding is breaking out in the "Women's department" of the *Standard*, where we read this biting sarcasm: "The Insurance Commissioners Convention came perilously near accomplishing something. So close was the escape that another year, unless extra precaution is taken, the chronicler of events may have something to chronicle." Lady editors evidently use a very sharp-pointed pen for their work, but those they attack will say with the costermonger whose wife "licked" him—"It pleases she and don't hurt I."

The recent fire in the lumber yard of Messrs. Howry & Sons, Fenelon Falls, has been adjusted on the following basis: the total net loss was \$182,909, of which the insurance companies will pay as per schedule below, the proportion of payments to insurance being 17,875,000 parts of 20,495,993 of the sum of \$182,909.

COMPANY.	PAYS.	COMPANY.	PAYS.
Aitna.....	\$4,462	Northern.....	\$2,331
Atlas.....	2,231	Norwich Union... ..	4,462
British America....	3,924	National.....	4,462
Caledonian.....	4,462	Phoenix of Brooklyn..	4,462
Keystone.....	2,231	Phoenix of Hartford..	3,346
Commercial Union..	4,462	Quebec.....	2,231
Saginaw Valley....	4,462	Queen.....	6,693
Mercantile.....	4,462	Royal.....	11,155
Gore Mutual.....	2,231	Scottish Union.....	4,462
Guardian.....	6,693	Sun.....	3,924
Imperial.....	4,462	Union.....	3,924
Lancashire.....	17,848	Western.....	4,462
London & Lancashire	4,462	Wellington Mutual..	2,231
London Mutual....	2,231	Hartford.....	6,693
Manchester.....	6,693		
N. B. & Mer.....	4,462		\$159,518

PERSONAL.

WE HAVE HAD THE PLEASURE OF A VISIT this week from Messrs. A. K. Blackadar, Insurance Department, Ottawa; W. G. Brown, Toronto; R. H. Matson, general manager Provident Savings Life, Toronto; J. K. McCutcheon, of Toronto, inspector of agencies Federal Life Assurance Co.

**Tenders will be Received..**

up to the 16th of NOVEMBER, 1896,  
by the undersigned for

**Eighteen - Drainage - Debentures**

of the Corporation of the

**TOWNSHIP OF OSNABRUCK**

County of Stormont, Ontario, of \$741.45 each without coupons, interest at five per cent. being included in the Debentures, which are payable, one in each year, to the year 1915, at the Ontario Bank, Cornwall. The highest or any tender not necessarily accepted.

Dated at Newington, Ontario, 19th October, 1896.

**JAMES MARTIN,**

Reeve.

**Agency Wanted**—An experienced fire insurance agent having an established business and a good connection, desires the agency of a Stock Fire Company for Toronto and vicinity. Address A.B.C., Insurance & Finance Chronicle,

**MONTREAL.**

# LANCASHIRE

**INSURANCE COMPANY OF ENGLAND.**

CAPITAL AND ASSETS EXCEED \$20,000,000

CANADA BRANCH, HEAD OFFICE, TORONTO

J. G. THOMPSON, M'NAGER

**MUNICIPAL DEBENTURES.**

**GOVERNMENT AND RAILWAY BONDS.**

**INVESTMENT SECURITIES**

BOUGHT AND SOLD

Insurance Companies requiring Securities Suitable for deposit with Dominion Government or other purposes can have their wants supplied by applying to

**R. WILSON SMITH.**

British Empire Building, MONTREAL.

Debentures and other desirable Securities purchased.

Those of our correspondents who know of such securities in their immediate neighborhood will greatly oblige by communicating as above.

HON. JOHN S. HALL, Q.C., M.P.P.  
ALBERT J. BROWN,

STURKISS CROSS, Q.C.  
W. PRESCOTT SHARP,

**HALL, CROSS, BROWN & SHARP,**

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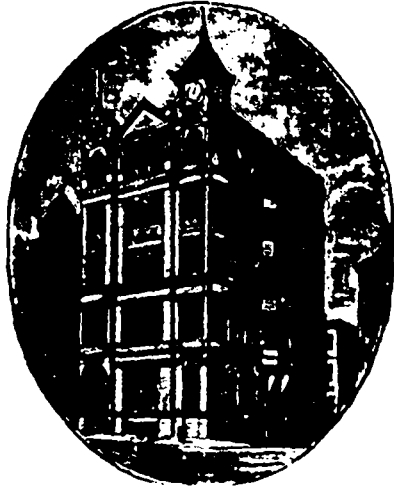
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1888	\$ 625,276	\$1,536,816	\$11,931,310
1892	1,131,867	3,403,700	23,901,046
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All these guarantees are backed by a Reserve calculated on the 4 per cent. basis.—The Great West Life being the first and only Canadian Company that has, from its inception, provided this security for its policy holders.

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Report for '95 mailed to Ottawa, Dec. 31, 1895.

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Life Fund (in special trust for Life Policy Holders)	8,999,030
Total Annual Income, - - - - -	8,170,190
Deposited with Dominion Government, -	408,820

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It has the honor to announce that it has secured at the lowest possible rate of cost, a large quantity of first-class fire insurance capital in large amounts on their lives, and that the Board of Directors of the same have determined to contribute

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FIRE AND MARINE INSURANCE.

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Total Assets, - - - 1,450,537.45

Losses paid since organization, \$15,095,188.83

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Capital Paid-up ..... 1,000,000  
Cash Assets, over ..... 2,320,000  
Annual Income, over ..... 2,400,000

LOSSES PAID SINCE ORGANIZATION, \$22,000,000

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Liabilities--(or guarantee fund)                      .....	\$194,347,157 00
Surplus--31st December, 1895,                      .....	26,866,563 00
Total Income, 1895,                      .....	48,597,480 00
Total paid Policy holders in 1895,                      .....	23,126,728 00
Insurance and Annuities in Force, December 31, 1895,                      .....	899,074,453 00
Net Gain in 1895,                      .....	61,647,645 00
Increase in Total Income,                      .....	576,561 00
Increase in Assets,                      .....	16,574,938 00
Increase in Surplus,                      .....	4,337,235 00
Increase of Insurance and Annuities in Force,                      .....	43,866,675 00
<b>Paid to Policy-holders from the date of Organization,                      .....</b>	<b>\$411,567,605 34</b>

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