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R. WILSON-SMITH.

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A Millionaire Overdraws his Account.

Mr. Rockefeller's banker must take care or he will be getting free board and lodging in a penitentiary for five years. Some few weeks ago Mr. Rockefeller is stated by an American journal to have had a special deposit of \$3,000,000 with the National Bank of Commerce, New York. This he drew upon until it was reduced to \$30,000. Not having the terrors of the law before him the manager of the bank allowed Mr. Rockefeller's cheque for \$100,000 to be paid, by which his account was overdrawn \$70,000, which, however, was shortly covered, as this oil magnate is not yet in an impecunious condition. How do such facts, if facts they are, get into a newspaper? What low ideas must be prevalent for them to be published!

A French Authority on Tuberculosis.

In the January number of "Annales Physicothérapiques," published in Paris, Bourgeois, an eminent French physician, France, there is an article by Dr. G. G. G. on "Exode rural et Tuberculose." He compares the ravages of tuberculosis to those of the "Minotaure Antique," taking tribute of the young, and destroying the best blood of the nation. The mortality from this disease is especially large amongst those in Paris who are immigrants from rural districts, the proportion of deaths being 38 per cent. of the Parisians of Paris, and 62 per cent. of Parisians of provincial extraction. The causes of this malady are alleged by Dr. Bourgeois to be, insanitary dwellings, foul air, air without sunlight, unhealthy, unventilated bedrooms, crowded workshops, inadequate nourishment, and l'alcool meurtrier et dégénérateur." To these 12,000 deaths in Paris are said to be annually due.

The remedies he proposes are simply the suppression, or amelioration of the fatal conditions, such as, more ventilation in all living rooms, more exposure to sunlight, better hygienic and sanitary arrangements. The French physician emphasizes the importance of direct sunlight and an ample supply of air, the lack and paucity of which are mainly responsible for tuberculosis.

Could not Work an Insurance Miracle.

Members of the New York Produce Exchange not having a business like respect for experience and the logic of figures before their eyes tried to work an assessment life insurance scheme without paying any regard to actuarial principles. The assessments grew and grew, in the usual way, by claims becoming more numerous every year, until they so enlarged as to be intolerable. Had these shrewd, energetic, usually long-headed produce merchants reflected for a few moments they would have realized that, as the whole body of them was becoming older every year, there was every year an increasing liability on the part of each member to become a claim on the survivors. The assessment scheme is to be abandoned so far as death claims are concerned, but contributions to a fund are to be made which will be in the nature of a personal deposit returnable with interest. So passes another scheme based on an effort to effect the impossible.

Rainy Weather Insurance.

At the meeting last week of the Provincial Fairs' Association, at Toronto, a suggestion was made for rainy weather insurance to protect agricultural societies from a crushing loss in case of unfavourable weather. "Last summer," a speaker said, "I corresponded with societies, and from the returns received ascertained that 221 societies estimated their total loss through rain at an average of \$10,000 a year. Including all the societies in the province the total yearly loss is probably \$18,000 to \$20,000. This means that every year many societies are seriously injured and sometimes almost ruined through fault of the management, which may have been most efficient. The East Parry Sound Society has had rain on the day of its exhibition every year for six years. After carefully looking into this matter, I have concluded that it will be possible to work out a system of insurance that will not be a burden to any society, while affording valuable protection to all."

The Latest Fad. The trading stamp plan is to have an imitator in trade coupons for life insurance. These are to be issued to storekeepers by certain life companies, who will give them out to customers in proportion to their cash payments, as trading stamps are issued. The coupons when they amount to a certain number will represent, or be a title to so much life assurance as is indicated by the agreement, a policy for which amount will be issued in proportion to the amount of the coupons held. How the amount of the policy can be regulated in harmony with the age and health conditions of the coupon holders is a mystery. Will there be an examination room at each grocery, provision, dry goods, or liquor store where the life assurance coupons will be issued and a physician be in attendance to report on the customers? Will the acceptance of the accumulated coupons, in payment for a life policy be contingent upon the customer being in good health, and with good prospects for a prolonged life. Will the aged woman who buys and pays for her groceries every week be given a life policy on the same terms as, say, her own married daughter? The desire to get something of value without payment which is at the root of the trading stamp and insurance coupon scheme is not creditable to the intelligence of the age.

Serious Nonsense. A little nonsense now and then is relished by the wisest men. But, when nonsense is calculated to work mischief, by incalculating false ideas, it has no relish for any person who is both sane and honest. A London, England, journal, of some repute as a financial authority, the "Investors' Review," in a notice of the New York Life pointed out the large amount of income which was not distributed last year, and then asked, "Who actually gets this sum? To whom does it belong?" To these questions it replies:

"Doubtless to the shareholders of the company, to its controllers, they get it and they use it. The policy-holders certainly have no claim to a penny of it, and were the company to stop business to-morrow, the policy-holders might not benefit by the fine surplus, or the accumulated funds to the extent of one dime."

To find the faintest trace of sense in this reply would defy the subtlest analysis. In the first place, the New York Life Insurance Company has no shareholders, and, as the policy-holders constitute the company the income they contribute over and above current expenses and obligations are funds held in trust to meet those contingent obligations of which they are the legal beneficiaries. Were a life company to distribute all its income yearly, as the above reply implies ought to be done, where would the policy-holders be when their deferred claims matured? Certainly if a life company adopted such a crazy, such a dishonourable course it would soon have to stop business, it would have no "accumulated funds," and the shareholders would

realize that they were involved in an organized swindle. It is reported, but is hardly credible, that the above attack on the New York Life is being circulated by some of its competitors. No company worthy to be trusted with life business would so disgrace itself.

MASSACHUSETTS LABOUR BUREAU ON GRADED WEEKLY WAGES.

The Bureau of Statistics of Labour of Massachusetts periodically issues reports on matters of such public interest as are associated with labour problems. We are favoured with a volume of 748 pages crowded with statistics relative to "The Relation of the liquor traffic to pauperism, crime and insanity," and "Graded Weekly Wages."

The tables presented in connection with the latter topic are extremely elaborate, so much so indeed, as to be forbidding to all but the few who are determined to push their enquiries to the end, at whatever cost. With all deference to the Labour Bureau, we must express a wish that these tables had been condensed. In this section of the report there are about 26,100 lines of figures, and the total number of figures is about 416,640.

The amount of weekly wages paid is given for a large number of trades, according to sex, years, and grades of Highest, Medium-High, Medium, Medium Low, and Low. The various trades are again classified according to States, and in some cases countries, so the divisions and sub-divisions, and sub-divisions again sub-divided, are quite numerous.

We find, however, that the division into years is not made on a uniform basis. In some cases the statistics run from 1842 to 1886, in others from 1851 to 1891, others, 1853 to 1888, 1854 to 1887, 1860 to 1880, 1840 to 1891. In fact, there are no two of these divisions alike, so, while there is an enormous mass of figures giving information as to the weekly wages paid in various years to different classes of artisans, there is such a bewildering variety of dates and terms as to render it quite impossible to reduce the tables to a common form so as to get at general results.

The figures in many of the tables support the theory that wages in the United States have been reduced in the last twenty, thirty, or more years. We give a few instances, for "Action makers" in Massachusetts in 1865 the lowest wages were \$12.89, in 1885, \$10.10; for "Annealers," in 1883, \$10.50, in 1891, \$9.00; Boys, in 1860, \$1.80, in 1891, \$1.50; in New Hampshire, the highest for "Back Boys" in cotton, etc., mills in 1867 was \$3.00, and highest in 1880, \$2.80; in "Back-Tenders," the lowest wages in 1866 were \$6, in 1885, \$4.80. Bakers and Confectioners in Connecticut in 1875 were paid \$21.00 as the highest wages, and in 1887 the highest wages were \$18.64; in Ohio the lowest wages of bakers in 1880 were \$7.50, and in 1887, \$6; Basket

IMPORTS OF CANADA FROM 1880 TO 1904.

Table exhibiting the growth of the imports of Canada from 1880 to 1904, partly classified to show their nature and the respective amounts of dutiable and free goods imported from Great Britain, the United States and other countries.

CLASS OF IMPORTS.	1904	1900	1896	1892	1888	1884	1880
Books and Periodicals, G. B. D'ble...	254,513	203,167	219,012	398,052	381,101	408,910	340,347
" " Free...	216,120	133,528	133,273	41,448	20,314	72,741	6,405
" U. S. D'ble...	1,071,698	729,099	507,308	701,430	736,666	770,815	448,698
" " Free...	482,227	365,920	176,502	49,103	58,195	58,878	23,336
" Total.....	2,190,385	1,562,084	1,152,863	1,329,139	1,297,240	1,396,114	877,761
Breadstuffs, G. B. D'ble...	253,443	256,294	80,824	69,623	96,798	108,736	213,028
" " Free...	205	.....	.....	478	.....	.....	.....
" U. S. D'ble...	1,446,310	900,672	1,716,002	1,477,539	1,946,344	4,603,026	1,831,217
" " Free...	4,874,839	6,966,159	99,288	56,381	708	.....	.....
" Total.....	7,014,448	8,360,603	2,106,943	1,907,482	2,234,671	4,869,732	2,064,663
Carriages, G. B., Dutiable.....	30,388	8,147	138,163	180,711	22,811	33,519	3,635
" U. S., Dutiable.....	1,650,892	1,325,467	1,224,352	302,254	193,551	392,644	133,743
" Total.....	1,744,191	1,405,467	1,388,954	492,114	216,388	426,556	137,378
Coal, Coke, etc., G. B. D'ble...	345,629	49,571	102,528	120,969	160,942	277,696	238,261
" " Free...	73,796	1,127	12,515	3,980	4,294	.....	.....
" U. S. D'ble...	9,338,811	4,359,742	3,250,239	4,212,521	3,427,783	7,226,175	2,520,690
" " Free...	11,152,550	7,108,624	5,858,407	5,638,121	5,290,151	1,528	3,941
" Total.....	20,911,153	11,519,064	9,223,689	9,775,591	8,883,170	7,505,399	2,762,892
Cottons and Mfrs of G. B. D'ble...	38,615	36,028	41,703	26,345	14,820	29,805	1,618
" U. S. D'ble...	98,147	14,622	8,121	26,419	18,662	49,923	10,151
" Total.....	191,216	66,061	50,890	55,215	33,643	80,725	11,769
Cordage and Twine G. B. D'ble...	160,730	32,186	25,626	48,441	38,454	64,019	67,589
" " Free...	9,086	752	.....	.....	.....	.....	.....
" U. S. D'ble...	117,221	80,454	235,197	248,810	107,809	166,813	104,311
" " Free...	1,525,320	898,396	262,440	298,277	147,462	228,830	172,451
" Total.....	1,804,488	1,013,681	3,367,028	7,044,995	3,247,995	5,837,933	5,828,085
Cotton and Mfrs of G. B. D'ble...	6,010,783	4,474,687	3,367,028	7,044,995	3,247,995	5,837,933	5,828,085
" " Free...	316,572	378,113	191,433	149,644	54,560	12,624	4,748
" U. S. D'ble...	1,827,438	1,509,312	1,067,012	790,834	743,982	1,491,831	1,866,727
" " Free...	6,564,820	4,491,575	3,223,760	3,650,234	3,247,102	2,270,071	1,509,830
" Total.....	15,481,913	11,395,771	8,054,853	7,802,754	7,409,784	9,657,049	9,267,099
Crockery G. B. D'ble...	961,806	563,931	387,218	534,977	520,185	441,556	348,663
" U. S. D'ble...	235,887	188,495	55,838	64,678	58,040	35,533	45,260
" Total.....	1,611,356	960,526	575,493	748,810	697,082	544,586	439,029
Electric goods G. B. D'ble...	60,030	21,225	6,581	15,981	2,797	4,170	2,034
" U. S. D'ble...	2,336,851	847,653	294,806	622,485	191,339	89,542	9,711
" Total.....	2,406,912	871,312	304,826	640,628	194,788	94,088	11,833
Leather and Mfrs of G. B. D'ble...	368,717	222,564	113,567	158,388	124,274	204,332	231,458
" U. S. D'ble...	1,782,756	1,610,090	1,037,431	807,513	794,803	586,605	470,324
" Total.....	2,294,000	1,879,333	1,252,144	1,091,213	1,248,249	1,105,552	871,389
Paper and Mfrs of G. B. D'ble...	503,143	259,762	254,042	417,646	437,236	373,438	276,025
" U. S. D'ble...	1,953,132	1,042,594	672,448	720,842	655,227	583,171	506,479
" Total.....	2,616,033	1,407,501	1,006,000	1,216,387	1,160,858	1,014,994	805,934
Iron & Steel & Mfrs of G. B. D'ble...	6,227,975	4,304,869	2,354,987	4,296,756	4,357,504	5,178,715	3,669,629
" " Free...	2,894,014	1,426,642	749,429	1,771,553	1,748,755	2,983,024	2,921,910
" U. S. D'ble...	24,252,940	17,663,325	5,770,420	5,383,681	4,252,777	4,976,794	2,688,139
" " Free...	5,551,583	5,540,607	650,839	367,081	200,544	527,222	275,161
" Total.....	42,348,469	29,558,416	10,115,083	12,353,849	10,976,738	14,286,587	9,656,320
Wool & Mfrs of G. B. D'ble...	12,747,715	7,787,929	6,930,268	9,403,515	9,147,074	8,069,954	6,013,401
" " Free...	984,399	904,194	337,337	601,777	378,196	385,387	565,674
" U. S. D'ble...	491,328	369,986	204,193	157,871	133,798	128,162	184,607
" " Free...	271,496	449,892	638,053	689,925	543,527	554,042	963,486
" Total.....	16,794,593	11,566,277	9,936,567	12,069,921	11,174,043	9,582,336	7,981,460

RECAPITULATION,

Total Imports, G. B. D'ble...	44,939,829	31,561,756	24,366,179	30,831,809	30,848,116	32,828,307	28,038,118
" " Free...	16,784,787	12,718,227	8,468,326	10,231,902	8,319,528	9,096,814	5,726,321
" Coin, etc.....	52,958	509,747	155,237	284,724	131,077	1,492,894	696,785
" Total Great Britain...	61,777,574	44,789,730	32,979,742	41,348,435	39,298,721	43,418,015	34,461,224
" U. S. D'ble...	77,543,780	53,897,561	29,101,646	29,505,550	27,097,680	35,796,697	19,566,567
" " Free...	25,466,798	48,162,616	24,427,744	22,236,582	19,342,616	13,989,191	8,627,216
" " Coin, etc.	7,815,937	7,764,201	5,041,634	1,395,440	2,041,552	706,938	1,153,165
" Total United States...	150,826,515	109,844,378	68,574,024	53,137,572	48,481,848	50,492,826	29,346,948
" Other Countries, D'ble...	26,425,967	18,887,478	13,771,934	8,823,378	11,700,028	11,385,494	6,578,282
" " Free....	12,428,858	7,259,240	5,235,332	13,531,192	3,363,660	2,876,475	1,364,038
" " Coin, etc.	5,418	23,490	26,448	138,366	2,843	7,834	31,867
Total other countries.....	38,860,243	26,170,205	19,033,714	22,492,936	15,066,531	14,269,803	7,974,177
GRAND TOTAL OF IMPORTS.....	251,464,332	180,894,316	110,587,480	116,978,943	102,847,100	108,180,644	71,782,349

makers, Massachusetts, 1883, lowest wage, \$10.00, in 1885, \$6; Blacksmiths, in Connecticut in 1872, were paid \$21, and in 1887, \$18; in Missouri, the lowest wages of this trade in 1864 were \$12.00, and in 1887, \$10.50.

The foregoing have been selected at random from a few out of the 187 pages in which these elaborate statistics appear.

The truth is, that statistics of this nature into which various factors enter, factors which vary at the different periods comprised in the tables, are liable to be misleading. Take one illustration, the data of which has been furnished us by a manufacturer in this city, showing the number of employees, at given rates of weekly wages in 1900 and 1905:

	\$	\$	\$	\$	\$
Wages in 1904.....	16	12	9	8	6
Employees.....	2	20	30	70	75

The above works out a total wages bill of \$1552 for 197 persons, the average weekly wages therefore of this factory in 1900 were \$7.87 per head. Now observe the following:

	\$	\$	\$	\$	\$
Wages in 1905.....	16.50	12.50	9.25	7	6
Employees.....	2	18	40	80	150

These returns work out a weekly wage bill of \$2,308 for 350 employees, the average being \$6.59 per head; that is, the average wage paid in that factory is \$1.28 lower than it was in 1900. This, however, is quite misleading, for there has been an increase in the wages for the same work, but, owing to improved machines, and a new development in the demand for a certain class of goods, a large addition has been made to the employees who are paid the lowest wages. To this one fact is owing the reduction in the average for the whole factory, from which a superficial observer would draw the very erroneous conclusion that the proprietor had been reducing the wages of his employees.

There are indeed so many divisions of labour, and so many changes have been made in recent years owing to machinery, that general conclusions which are scientifically exact are most difficult to draw from figures relating to different years. In some of the details given of weekly wages in Canada and England, there are errors. The highest wages paid in Canada for stone masons is given as \$15.00 in 1882, whereas in Toronto these artisans earned \$4 per day. In England masons are stated to have had a weekly wage of \$7.92 in 1868 and \$10.16 in 1885, and only \$5.82 in 1889. These are erroneous, the rise of 28 per cent. in 1885 is wrong, so is the decline of 42 per cent. in 1889.

A quotation of the wages of a country is certain to be misleading, for wages vary according to locality in the same country. Thus we find the wages of "Curriers" in England in 1882 were \$10.00,

and in Scotland, for the same year, \$7.50, England and Scotland being practically one country, no two places being as far apart as places are in this Province. Fancy a Scotchman taking \$7.50 for wages when \$10.00 was being paid for the same work in England, only a few hours distant!

To reduce such a mountain of statistical ore to the fine gold of a sound, reliable generalization, would be a herculean task, but we commend it to our American friends, who have a special gift for compiling and collating statistics, which, in their official reports, both political and commercial, they present with remarkable clearness, and intelligent order.

CONFEDERATION LIFE ASSOCIATION.

The past year was one of prosperity for life insurance business, in which favourable conditions the Confederation Life shared. The following shows the main features of the statement for 1904 compared with 1903:

FINANCIAL MOVEMENT.

	1904.	1903.	Increase + or decrease -
Premiums net.....	\$ 1,262,345	\$1,196,812	+ \$ 65,533
Interests and rents.....	439,754	398,957	+ 40,797
Total income.....	1,702,099	1,595,769	+ 106,330
Pay'ts to policy-holders.	731,392	684,376	+ 47,016
Expenses & dividends ..	346,402	322,294	+ 24,108
Total outgo.....	1,077,794	1,006,670	+ 71,124
Total assets.....	10,352,223	9,663,854	+ 688,269
Policy & other reserves..	9,641,627	9,028,170	+ 613,157

One of the exceptional features of this company in 1903 was the low death rate, which fell below that for 1902 and 1901, although the business had been enlarged. Last year, 1904, the mortality pendulum had a reverse movement, but still the aggregate of the death claims was considerably less than the income from interest on investments, being \$348,883 against \$439,754, so there was a balance of \$90,871 left in the interest account over and above the total amount of the death claims. In the past four years the excess of interest receipts over net death claims has amounted to \$364,838 as is shown by following data:

	1904.	1903.	1902.	1901.
	\$	\$	\$	\$
Interest, etc.....	439,754	398,957	378,761	335,054
Net death claims....	348,883	264,322	295,422	279,061
	\$ 90,871	\$ 134,635	\$ 83,339	\$ 55,993

The policies issued last year were for \$5,017,988 against \$4,137,973 in 1903, the increase being \$880,015. The insurance in force at close of 1904 was \$39,347,847 which exceeds the total of 1903, by \$2,660,464.

The amount of surrendered policies was \$49,169, which is a lower percentage of the assurance in force than in 1903, 1902, or 1901. This, with the moderate death claims, together indicate a very prudent and cautious selection of lives, a feature in the manage-

ment of the Confederation Life which it owes to the conservative, sound judgment of the managing director Mr. J. K. Macdonald, for whom stability has greater charms than magnitude.

The reserve on policies and annuities according to the company's standard is \$9,519,733, and according to the less stringent standard of the Government of Canada is \$9,269,595. The cash surplus by Government standard is \$860,633, the amount given in the company's statement of liabilities is \$610,495. In valuing the assurance liabilities, the Institute of Actuaries H. M. Table of Mortality was employed with interest as follows :

For business of years 1871 to 1895 inclusive.....	4 1/2 %
“ “ 1896 to 1 99 “	3 1/2 %
“ “ 1900 to 1904 “	3 %

The total assets amount to \$10,352,122, against \$9,663,853 in 1903, and \$8,988,986 in 1902, the increase being, over 1903, \$688,269, and over 1902, \$1,363,136.

The annual report, with accompanying statement, are exceptionally clear, explicit, and free from ambiguity. Their orderliness betrays the hand of the managing director.

At Montreal the business is under the management of Mr. H. J. Johnston, advisory director, with Mr. A. P. Raymond, general agent; Mr. J. A. Raymond, Special Agent, and Mr. James P. Mackay, cashier. The statement of the Confederation Life justifies the statement in the report that "the year 1904, was in most respects the best in the history of the company."

THE DOMINION COAL COMPANY, LTD.

The report of the directors for year 1904 shows the output last year was 3,023,522 tons as compared with 3,147,766 tons in 1903, the decline being attributable to a strike in the works. The net earnings from the mines, steamships, railroad, stores, rents, etc., in 1904 were \$1,620,475 as compared with \$1,756,023 in 1903. The falling off is accounted for by the increased cost of production during first half of the year caused to some extent by exceptionally severe weather conditions; the loss of business caused by the re-imposition of the United States coal duties and payment of duties on shipments to New England Gas & Coke Company.

The usual half-yearly dividends on preferred stock have been paid, but the directors consider it in the best interests of the company not to pay any dividends to the common stockholders at present. Large sums on Capital Account have been expended in opening new mines, etc., and it is deemed advisable to apply the net earnings in paying for these improvements and use the balance in reducing the debt of the company. On capital account \$500,487 was expended in 1904, \$260,000 of which was provided by terminable securities of Cape Breton Real Estate Co., and Dominion Rolling Stock Co.

The profit and loss account gives the net proceeds from sale of coal and net income from steamships, etc., \$1,620,475; against which are set interest on bonds, \$148,818, dividend on preferred stock, \$240,000, and miscellaneous interest and premium on bonds retired \$202,996, a total of \$591,814, to this \$138,322 for sinking fund being added, makes \$730,136, which deducted from the net proceeds of sales, etc., leaves a "Balance to General Surplus of \$890,338."

The property of the company is spoken of as "of great and unique value," which have a capacity for output of 4,000,000 tons per annum.

HURON & ERIE LOAN & SAVINGS COMPANY.

The Huron & Erie report for 1904 is very satisfactory. It indicates the prevalence of prosperity throughout the section of western Canada, from which its business is drawn. Prosperity, however, may go so far as to materially decrease the business and profits of a mortgage loan company, by cheapening money below the figure at which it can be lent to yield a profit. On the other hand, when money is abundant and rates low there is a temptation to make extensions, and improvements; to erect buildings and generally spread out, for effecting which money has to be borrowed. The company's prestige is so high in London and Western Ontario, that it acquires the best class of business available. Its deposits and debentures indicate the confidence felt in this institution.

The cash value of mortgages held amounts to \$7,301,844, the securities owned amount to \$582,627, cash is held in hand and in banks to extent of \$389,069, and other assets valued at \$17,800, make the total assets \$8,291,340. Amongst the assets is \$2,800, the value of real estate on hand obtained by foreclosure, which is a mere bagatelle.

The deposits are \$1,659,163; sterling debentures, \$1,499,295; Canadian debentures, \$2,588,763; interest accrued, \$51,329; making the total liabilities to the public, \$5,798,552. The paid-up capital is \$1,400,000, reserve fund, \$1,000,000, which with a dividend provided for, and a small balance of \$29,600, make up the same amount as the assets, viz., \$8,291,340. The reserve fund is exceptionally large for a company of this class. The usual dividend is 9 per cent. per annum.

Mr. G. A. Somerville, manager, has every reason to be proud of the record of the Huron & Erie, its high position being the result of sound judgment and careful management.

MUTUAL LIFE INSURANCE COMPANY OF NEW YORK.

The net premium income in Canada last year was \$1,158,100, the amount of policies new and taken up amounted to \$4,363,545, and total insurance in force \$30,957,179

TAXATION OF INSURANCE COMPANIES.

This was the subject of a lecture, by Professor Flux, Professor of Economics of McGill University, at a meeting of the Montreal Insurance Institute, on Tuesday evening the 21st inst. The high standing of the lecturer in the Science of Economics naturally made the address of exceptional interest, not only on this account, but also in consequence of the warm discussion which it elicited, in which the Chairman, Mr. G. F. C. Smith, Messrs. S. P. Stearns, B. Hal Brown, David Burke and others took part.

The paper opens with a reference to excessive taxation imposed upon insurance companies operating in the United States, which, as the Professor stated, means a very heavy burden laid on insurance. He subsequently refers to the taxation of life companies in Canada by the Government, by the provinces, and by the various municipalities in which they transact business. The Professor does not seem to think that 55 cents per \$100 tax on the total income can be justly complained of, when their average expenses range from 20 per cent. to 25 per cent. of their total income. Reference is then made to the services rendered to the community by the Central, Provincial and Municipal Governments, contributions towards the cost of which should be equitably charged to all classes of citizens, in accordance with the ability of each to pay. The Professor recognizes the difficulty of agreeing on a satisfactory standard of measuring the ability of contributors. He then states that Inheritance Taxes should not be levied so as to bear upon persons of small income, and that policies under \$5,000 should be exempt. He compares property in a Safe Deposit Company's vault with property invested in insurance, both of which he considers justly subject to taxation. He does not consider it in the general interests of the community that those in possession of capital should be exempt from taxation. If, says the Professor, the companies have to bear heavier taxation in one province than in another they should regulate their rates accordingly, but their business would be hampered and become unendurably complicated if that were done. He considers that, the taxation of the insurance companies should be confined to the Dominion which grants them a license, and restrict provinces to an Inheritance Tax, which he admits is not wholly satisfactory to himself. The Professor considers that the surplus of assets over liabilities as determined by the quinquennial valuations, afford a measure of what may be termed business profits. To tax the annual increment of surplus and dividends paid to stockholders, where there are such, he thought would approximate to fairness. He added: "What percentage of tax income should be considered the equitable supplement to your substitute for a given percentage on capital value, I shall not attempt to determine."

In a brief reference to fire insurance the worthy Professor states that he is not prepared to enter into any analysis of figures relating to this and other branches of insurance, but the suggestion that the maintenance of fire brigades ought to fall heavier on those whose properties are the worst fire risks, and not on all citizens alike, apparently meets with his approval.

The above only gives a very brief synopsis of the paper read by Professor Flux, with a few excerpts from what we consider the salient points. We regret that space would not permit of the publications of the whole paper. Our readers will, therefore, understand that they have not the full text.

It occurs to us that the lecture delivered by Professor Flux might be summed up as being eminently clever as a theoretical exposition of what taxes might be fair under certain conditions. There is, however, a very practical side to all questions of taxation, or those relating thereto. In the imposition of taxation the special conditions, or purpose of the object on which the tax is to be levied must be considered. You cannot, for instance, treat an insurance company on the same lines as what is known as an ordinary trading, or commercial corporation, dealing with goods, merchandise, etc., or credit. The insurance companies, both fire and life, cheerfully pay all regular taxes whether imposed by municipalities upon real estate holdings, business taxes on rents, water rates and such like. It seems unfair to impose upon insurance companies special taxes whether it be on their capital, or premium income. The premium income is largely the property of the policy-holders. The company is simply custodian, and from a moral standpoint, at all events, it is an indirect tax on those who insure their lives or property, as the case may be, and who thus add stability to the State or Government by providing for those dependent upon them, and for the restoration of their property if destroyed by fire. Such a tax is an imposition upon the provident and thrifty. To carry this taxation further and to make it more equitable, it seems to us that you might as well tax deposits in savings banks, loan companies, banks and other financial institutions.

As to the Central or Federal Government imposing the total tax and distributing it amongst the provinces, while this may appeal to some, nevertheless we scarcely think it is workable from a practical standpoint, for if you start in with the insurance companies on these lines, it should be made applicable over a wider field, to such commercial institutions, or companies which get a charter from the Federal or Dominion Government. We think that, when a company transacts business in a municipality or province, it should be prepared to pay the ordinary taxes pertaining to the province and locality. The lecturer when taking the ratio of expenses of the companies as his basis of measurement, reasons from a disputable hypothesis. The taxes on real estate, for instance, are not included in what is known under the heading of taxes in the Government report. It is a truism that all business depends upon the stability of the Government, but nothing adds more largely to the stability of a Government than the protection of the interest of the community by insurance.

Then as to the taxation on basis of capital, this also is impracticable, for some of the life companies, which transact the largest business, have no capital, while others transacting a very large business, have a mere nominal capital. There is also the matter of taxing the profits, but these profits belong almost entirely to the policy-holders, and in the majority of cases are simply bookkeeping profits and are allowed as rebates in future premiums in some institutions, or added to the amount of the policies.

Time and space will not permit us to deal more generally with this subject in this issue.

It would perhaps be well for the Insurance Institute to arrange to debate important papers of this character at a subsequent meeting, the members to have access to the papers in the meantime. Of course, this would not by any means prevent questions being asked at the time the paper was read, or suggestions thrown out, but the real debate should take place at the next following meeting.

CANADIAN LIFE INSURANCE OFFICERS' ASSOCIATION.

The regular meeting of the Association took place on the 16th inst., in the rooms of the Insurance Institute of Toronto, the president, Mr. T. Hilliard, occupying the chair.

The other members present were:—J. K. Macdonald (Confederation), David Dexter (Federal), G. B. Woods (Continental), J. F. Junkin (Manufacturers), T. Bradshaw (Imperial), C. H. Fuller (Continental), A. McDougald (British Empire), L. Goldman (North American), P. C. H. Papps (Manufacturers), Col. W. C. Macdonald (Confederation), J. G. Richter (London), John Milne (Northern), E. Marshall (Excelsior).

Consideration was given to the proposed revision of the General Insurance Act, and the obtaining of special legislation in Ontario respecting life assurance. Unanimity practically exists amongst the companies, members of the Association, regarding the elimination, in competition, of competitive and comparative literature, and it is believed that since this condition came into effect good results have followed.

It was reported that the difficulty which had existed in the Province of Nova Scotia amongst physicians, relative to the fee for medical examinations, had been satisfactorily adjusted.

The next regular meeting of the Association takes place in June.

THE LONDON LIFE INSURANCE COMPANY.

The London Life Insurance Company held its 30th annual meeting at London, Ont., on 13th inst., over which Mr. John McClary presided. The report presented showed that the new business of the year was the largest in the history of the company. London for some time past has enjoyed great prosperity. Its manufacturing, mercantile, and agricultural interests are flourishing, which condition is reflected in the local life assurance and other forms of business. The following figures exhibit the movement and condition of the company in 1904 and 1903:

FINANCIAL MOVEMENT.

	1904.	1903.	Increase + or decrease—
Premiums net.....	\$355,598	\$323,569	+ 32,029
Interest, etc.....	74,228	74,442	— 214
Total income.....	429,826	398,011	+ 31,815
Payments to policyholders...	99,456	95,238	+ 4,218
Expenses and dividends....	153,062	139,604	+ 13,458
Total outgo.....	252,518	234,842	+ 17,676
Total assets.....	1,643,184	1,462,966	+ 180,218
Surplus to policy-holders.....	100,491	94,535	+ 5,956

During the year 14,194 applications were accepted for \$2,065,775 for which policies were issued. The net premiums received amounted to \$355,598, which is \$32,029 more than in 1903, and \$63,696 in excess of 1902. The death claims, matured endowments, surrendered policies, and cash profits aggregated \$99,456, which is \$4,218 more than in 1903.

The net insurance in force at the close of the year

was \$8,200,297, under 4,206 "Ordinary," and 52,627 "Industrial" policies, an increase of 3,131 policies covering \$735,669 insurance. The assets last year were increased from \$1,462,966 to \$1,643,184 an addition of \$180,218.

The valuation of the company's policy liabilities was computed on a basis that assumes for all policies, except those issued in the ordinary branch since 1st January, 1900, an interest rate half per cent. more stringent than what the Government standard requires. In regard to the accumulating profits they are treated as if on an annual distribution basis, the actual distribution period being 5 years. This causes the surplus to appear less than it would be were a less conservative plan adopted.

The London Life is making very satisfactory progress under the careful management of Mr. John G. Richter, manager and secretary.

VALUE OF INSURANCE MEN IN CITY COUNCILS.

It would be a great improvement in the present system of selecting members of city corporations promiscuously from all classes were, at least, some of those chosen as aldermen or councillors required to be representatives of certain business interests. This is done by Boards of Trade which have different sections composed of such members as are engaged in special forms of business. What an advantage it would be when City Councils discuss insurance questions, such as municipal insurance, fire protection, local rates, etc., were some experienced insurance expert on the Council present to give such information as would infuse an element of intelligence into the discussion. The City of Manchester, England, has two such representatives of such insurance interests as members of the City Council, who recently succeeded in checking a movement to cancel all the corporation policies as a step towards establishing a municipal insurance scheme that was formally proposed. The argument in favour of this plan was the stale one, that so much had been paid for fire insurance in past years while nothing had been received back. As the "Searchlight" says: "This is the identical argument, in all its hopeless illogicality, which one encounters daily amongst the smaller shopkeepers and illiterate tradesfolk. It is almost incredible that, in these days, such views should be found to exist in the council chamber of so enlightened and progressive a city as Manchester. The feature of paying out and receiving nothing 'back' appears to be the stick-point beyond which it seems impossible for certain intellects to go." The insurance councillors introduced an element of common sense into the debate by exposing the fallacy of this contention, and they succeeded in having the insurance scheme referred to a select committee. Had there been no such experienced councillors present the proposal would have passed and municipal insurance established in Manchester, otherwise known as "Cottonopolis."

THE LONDON MUTUAL FIRE INSURANCE COMPANY.

The London Mutual Fire Insurance Company stated in its report for 1903, that the policy of the management was to write small lines spread over a wide area so far as possible, to avoid heavy losses by a conflagration. Doubtless to this course having been pursued is owing the moderate fire loss last year when the Toronto conflagration was so disastrous. The London Mutual in 1904 had a premium income of \$535,071 and the net fire losses were \$402,904, the loss ratio being 75.3 per cent., which is considerably below the year's average. The receipts of interest, rents, etc., were \$9,812 by which the income was raised to \$544,883. To the fire loss of \$402,904 the expenses amounting to \$139,922 being added made a total outgo of \$542,826, which was \$2,057 less than the total income. The assets of \$755,707, including \$380,123 of unassessed premium notes, provided for a reinsurance reserve of \$342,484, and other liabilities, inclusive of \$17,500 capital stock, and left a surplus over all liabilities to the public, shareholders and members, of \$304,585.

The report announces that last year the company, "met all claims promptly, without having to sell a debenture, realize on a mortgage, call on extra capital, or borrow a dollar," which is a highly gratifying record. It is intended to set aside a substantial sum "to provide a special conflagration fund," a very wise decision. Mr. Waddington, managing director, and his colleagues are evidently proceeding on such conservative lines as are essential to a fire company's development in strength and public confidence.

THE STATE LIFE INSURANCE COMPANY.

The annual statement of a life insurance company which, within twelve years of its inception, can report \$60,000,000 of insurance in force is not without interest. The State Life Insurance Company, of Indianapolis, which is now extending itself throughout Canada, has already assumed these proportions and gives every indication of acquiring before long still greater dimensions. The assurances in force at the close of the past year were \$60,000,000, and the revenue from premiums and interest amounted to \$2,244,000. In 1903 the insurances in force were \$49,700,000, and the total income \$1,748,000, the new assurances being \$19,800,000. In the same year the expenses were \$715,000, representing 40 p.c. of the total income. This heavy expenditure is the expected consequence of writing a large and annually increasing quantity of business. High commissions must be offered by any company pursuing a policy of extension. However, as the bulk of the cost belongs to the first year's premiums, expenses will tend to diminish as the proportion of renewals to first year's premium increases.

The terminations of policies voluntarily discountinu-

ed are plentiful, in 1903 \$12,680,000 ceased by termination, surrender, lapse, decrease, not taken and claims.

The admitted assets for 1904 were \$3,160,000, of which one-third was invested in real estate holdings and another third in first mortgage loans and real estate. In view of the company being comparatively young, and the average duration of the policy being short, the assets and the surplus are relatively small. The liability for reserve is being estimated on a fairly conservative basis, the policies issued prior to 1901 being computed on the Actuaries' Table with interest at 4 p.c., and those issued after that date on the American Table at 3 p.c. interest. If this company were to apply its attention towards retrenching its expenses and would remain content to write each year an unvarying quantity of new business, judiciously chosen with a view to persistency and vital endurance, the relative position of the company could be improved. The constantly increasing volume of new business now so eagerly sought, tends to continually check the growth of the surplus. The energy and enterprise which has so rapidly built up this institution could be advantageously directed towards establishing it upon a foundation financially irreproachable. The practice employed by this company of appointing advisory members, as they are pretentiously called, who receive a continuous commission upon their own insurances in consideration of rendering certain nominal services, cannot be regarded with favour. The establishment of a preferred class of policy-holders to whom rebates are given, is an institution unworthy of a company which has within a short space of time reached such substantial proportions.

NORTH AMERICAN LIFE ASSURANCE COMPANY'S RE-UNION.

The cultivation of enthusiasm in a social way is a predominant feature with the management of the North American Life Assurance Co., which accounts for the cordial relations which exist between the Executive and their loyal working staff.

On Friday, 10th February, the staff of this province met at the company's office and afforded an opportunity through the District Manager G. Herbert Simpson, of meeting the Managing-Director Mr. L. Goldman, and Superintendent of Agencies Mr. T. G. McConkey. At the conclusion all were invited to partake of a very *recherché* lunch at La Corona Hotel.

The chair was taken by District Manager Mr. G. Herbert Simpson, with Mr. Goldman supporting him to the right, and Mr. McConkey on his left. The toast to the King was duly honoured; the toast to the Managing-Director, proposed by the Chairman, was most enthusiastically supported and responded to by the managing-director. Mr. McConkey, superintendent of agencies, carried second honors and reaffirmed his fitness for the responsibilities of his office. Dr. C.

Ault, whose long career in the history of the company has made his friends legion, was the centre of interest. District Manager Mr. Simpson was very much in demand and modestly replied to the demands of those present, assisted by Mr. W. S. Dresser, district manager for Sherbrooke. "The Agents" was ably replied to by Mr. Beach, of Island Pond; R. B. Foster, city agent, Montreal; M. Roch, of L'Epiphanie; J. M. Chapdeleine, Shawinigan Falls, and Mr. Gleason, of Granby.

The managing-director, superintendent of agencies, and the medical staff were entertained in the evening by G. Herbert Simpson, to dinner at the Engineer's Club.

LONDON & LANCASHIRE LIFE ASSURANCE COMPANY.

The preliminary statement of the Canadian business of the above company from the past year shows the total income as \$469,941, total payments \$275,288, applications received for \$950,000, and policies issued amounted to \$875,780. The assets amount to \$3,405,150 and the liabilities to \$2,471,800, a surplus of \$933,350.

THE FIRE LOSS IN JANUARY.

The fire loss of the United States and Canada for the month of January, as compiled from the carefully kept records of the "New York Commercial Bulletin," shows a total of \$16,378,100. The following comparison shows the January record for three years:

	1905.	1904.	1903.
January.....	\$16,378,100	\$21,790,200	\$13,166,350
February.....		90,061,000	16,090,800
March.....		11,212,150	9,907,650
April.....		23,623,000	13,549,000
May.....		15,221,400	16,366,800
June.....		10,646,700	14,684,350
July.....		11,923,200	12,836,900
August.....		9,715,200	8,428,350
September.....		14,387,650	9,939,450
October.....		12,866,200	10,409,800
November.....		11,515,000	13,589,550
December.....		19,422,350	19,224,700
Total.....		\$252,364,050	\$156,195,600

During the past month there were 334 fires of a destructiveness, each, of \$10,000 or more, which may be classified as follows:

\$10,000 to \$20,009.....	127
20,000 to 30,000.....	62
30,000 to 50,000.....	58
50,000 to 75,000.....	33
75,000 to 100,000.....	19
100,000 to 200,000.....	26
200,000 to 630,000.....	9
Total.....	334

The large fires during January were as follows:—

Long Branch, N. J., department store.....	\$200,000
Brockville, Ont., carriage factory.....	250,000
Kansas City, Mo., grain elevator.....	380,000
Philadelphia, Pa., oil refinery.....	200,000
Milwaukee, Wis., saddlery house and other.....	258,000
Chelsea, Mass., hotel, theatre and other.....	200,000
Oswego, N. Y., starch factory.....	225,000
Chicago, Ill., meat storage plant.....	227,000
Omaha, Neb., several business houses.....	630,000

January is usually a severe month as regards fire losses. Last year two of the losses in January, amounting to two million dollars, were on uninsured risks. This year the January fires seem, to an unusual extent, to have occurred in property fully covered by insurance.

GERMAN-AMERICAN FIRE INSURANCE COMPANY.

The German-American's 23rd Annual Statement dated 1st January, 1905, shows the company to be in a position of great financial strength.

The total assets amount to \$12,980,705, of which \$1,087,850 consists of United State and New York City bonds, \$8,772,284 in railway bonds and stocks, \$597,507, in New York Bank and Trust Company's stocks and the balance in other bonds and stocks. The company holds \$1,273,898 in cash, in banks, office and in hands of agents.

The capital stock is \$1,500,000, the reserve for insurance in force, \$4,713,862, reserve for losses \$637,067, other reserves \$287,869, which leave a net surplus of \$5,841,907 over all liabilities.

Mr. Walter Kavanagh, is agent at Montreal, and chief agent for Dominion, and Mr. Edward E. Paschall, superintendent of agencies.

MONTREAL STREET RAILWAY.

Although the weather conditions in January were unfavourable the passenger receipts of the Montreal Street Railway were \$201,096 against \$182,385 in same month 1904, the increase being \$18,710. The other earnings were \$817 more, making an increase of \$19,527 for the month. On the other hand the operating expenses and fixed charges were larger by \$22,741, so the surplus was only \$32,524, which is \$3,214 below the January 1904 figure.

For the four months to end of January the surplus was \$213,450, which is \$1,411 less than for corresponding period, 1903-4. The company has had a trying time during February from the frequent and heavy falls of snow, but the tracks have been kept open and the passenger traffic has been conducted with commendable regularity.

FOREST PRESERVATION.—A sign of the public awakening to the national importance of forest preservation was given recently by a meeting of the U.S. National Forest Congress held at Washington, being attended by over 800 delegates, amongst whom were leading railway officials, farmers, lumbermen, mine owners, financiers, and representatives of other interests from all parts of the country. Legislation will be sought to protect this enormous national asset being wasted as it is at present, both in the United States and Canada.

QUERIES' COLUMN.

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

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

1419.—W. J. B., Halifax.—The Mackay Companies have not as yet issued any statement to the shareholders, but it has been announced that one will be given out very shortly. The earnings will then be shown

for the first time and the value of the common depends on the showing. There seems no reason to doubt that the present market price of the stock is a fair estimate of its present worth and speculatively the possibilities of the stock make it an attractive purchase.

1420.—B. B. B., Ottawa.—The authorized bond issued of the Rio de Janeiro Light & Power Company is \$25,000,000, and an authorized common stock capital of the same amount. The company is formed to develop a water power near the City of Rio de Janeiro, which has a population of about 800,000. There are five tramway systems in the city, only one of which is electrically equipped, but the other roads will be converted so there is a large field for power from tramways alone. The first issue of \$5,000,000 of the bonds has been underwritten.

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

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

<i>Assets.</i>	January 31, 1905.	December 31, 1904.	January 31, 1904.	Increase or Decrease for month.	Increase or Decrease for year.
Specie and Dominion Notes	\$55,600,785	\$56,054,512	\$47,099,259	Dec. \$ 451,727	Inc. \$8,501,526
Notes of and Cheques on other Banks	21,061,517	23,784,768	14,280,768	Dec. 2,723,251	Inc. 6,780,749
Deposit to Secure Note Issues	3,328,721	3,328,721	3,130,844	.....	Inc. 417,763
Loans to other Banks in Canada secured	1,085,854	811,954	668,091	Inc. 271,900	Inc. 197,877
Deposits with and due from other Bks. in Canada	6,016,708	8,183,400	5,412,080	Dec. 2,166,692	Inc. 604,628
Due from Banks, etc., in United Kingdom	9,472,707	9,041,191	8,861,544	Inc. 431,516	Inc. 611,163
Due from Banks, etc., elsewhere	20,173,572	20,849,499	13,457,473	Dec. 675,927	Inc. 6,716,099
Government Securities	9,374,840	9,591,002	10,697,910	Dec. 186,162	Dec. 1,323,070
Canadian Municipal and other Securities	17,173,395	17,241,673	14,309,065	Dec. 68,278	Inc. 2,864,330
Railway Bonds and Stocks	39,389,212	38,744,635	38,031,549	Inc. 644,577	Inc. 1,357,663
Total Securities held	65,937,447	65,547,730	63,038,524	Inc. 389,717	Inc. 2,898,923
Call Loans in Canada	38,214,280	38,950,978	38,149,737	Dec. 736,698	Inc. 64,543
Call Loans outside Canada	46,184,911	48,782,441	36,433,662	Dec. 2,597,530	Inc. 9,751,249
Total Call and Short Loans	84,399,191	87,733,419	74,583,599	Dec. 3,334,228	Inc. 9,815,592
Loans and Discounts in Canada	412,901,073	413,779,520	384,754,452	Dec. 878,447	Inc. 28,146,621
Loans and Discounts outside Canada	18,324,151	17,344,724	18,948,983	Inc. 979,427	Dec. 624,832
Total Current Loans and Discounts	431,225,224	431,124,244	403,803,435	Inc. 100,980	Inc. 27,421,789
Aggregate of Loans to Public	515,624,415	518,857,663	477,386,834	Dec. 3,233,248	Inc. 38,237,581
Loans to Provincial Governments	1,948,922	2,934,326	2,174,400	Dec. 985,384	Dec. 225,478
Overdue Debts	2,130,148	2,149,162	2,071,724	Dec. 19,014	Inc. 58,244
Bank Premises	10,256,829	10,165,341	8,972,713	Dec. 91,488	Inc. 1,284,116
Other Real Estate and Mortgages	1,435,394	1,496,683	1,590,772	Dec. 61,289	Dec. 155,378
Other Assets	6,797,205	6,710,804	6,400,777	Dec. 86,401	Inc. 396,428
Total Assets	720,876,763	749,915,962	654,545,980	Dec. 9,039,199	Inc. 66,330,783
<i>Liabilities.</i>					
Notes in Circulation	58,021,075	64,507,394	56,973,273	Dec. 6,486,319	Inc. 1,047,802
Due to Dominion Government	2,773,478	5,508,446	2,382,408	Dec. 2,734,968	Inc. 391,465
Due to Provincial Governments	8,264,605	7,148,442	5,605,941	Inc. 1,116,163	Inc. 2,058,664
Deposits in Canada payable on demand	128,962,627	134,280,104	107,323,255	Inc. 5,317,477	Inc. 21,639,372
Deposits in Canada payable after notice	322,270,620	319,132,078	287,228,014	Inc. 3,138,522	Inc. 35,022,006
Total Deposits of the Public in Canada	451,233,247	453,412,182	399,572,109	Dec. 2,178,935	Inc. 51,661,138
Deposits elsewhere than in Canada	39,470,656	38,814,613	37,300,337	Inc. 656,043	Inc. 2,170,319
Total Deposits	490,703,903	492,226,795	431,872,506	Dec. 1,522,892	Inc. 58,831,397
Loans from other Banks in Canada	1,104,292	811,954	692,111	Inc. 292,338	Inc. 312,181
Deposits by other Banks in Canada	5,003,241	5,684,483	3,983,408	Dec. 681,242	Inc. 1,019,833
Due to Banks and Agencies in United Kingdom	2,716,272	2,452,651	3,085,734	Inc. 263,621	Dec. 369,462
Due to Banks and Agencies elsewhere	1,511,299	1,224,203	1,496,014	Dec. 287,096	Inc. 15,258
Other Liabilities	773,854	8,353,622	10,043,162	Dec. 614,968	Dec. 304,608
Total Liabilities	577,830,895	587,918,063	516,134,538	Dec. 10,081,168	Inc. 61,702,357
<i>Capital, etc.</i>					
Capital paid up	80,378,420	80,055,596	78,625,589	Inc. 322,824	Inc. 1,752,831
Reserve Fund	54,194,407	54,071,606	50,653,096	Inc. 122,801	Inc. 3,541,311
Liabilities of Directors and their firms	9,933,389	9,688,611	10,909,406	Inc. 244,778	Dec. 976,017
Greatest circulation during the month	64,031,382	70,239,598	62,713,352	Dec. 6,208,216	Inc. 1,318,030

PROMINENT TOPICS.

AN ELECTRICAL STORM PASSES OFF.—In the camp of a certain enterprize, not a thousand miles from this city, a personal storm broke out some time ago, during which circulars were emitted full of the thunder and lightning of the wrath of the two participants in this epistolary duel. We all know how the antithetic brilliance of the language of La Belle France lends pungency to uncomplimentary remarks. These voluminous circulars, some of them 6 pages in length, flew thick and fast until a truce was arranged. The last letter wound up with;

‘Au revoir M. ———, Cookoo! Cookoo!’

Which is not a remark usually heard in business circles. We have recently seen a statement that the literary combatants have made it up, after the manner of children, so all is now serene in the aforesaid camp and businesslike calm has followed the electric storm.

* * * *

CANADA TO MAINTAIN HER OWN GARRISON.—It was stated in the House of Commons on 20th inst., that negotiations were now going on between the Government of Canada and the Imperial Government looking to the transfer of the garrison at Halifax and Esquimalt to Canada, by whom, it is proposed, they are to be maintained. Sir Frederick intimated that, while Canada was not able to accept the suggestions made by the Imperial Government in 1902, in regard to the methods by which Canada could aid in the defence of the Empire, the Government and people of Canada would be desirous of relieving the British taxpayer as far as possible.

In response to Mr. R. L. Borden, the Minister of Militia said it was probable that the fortifications of Halifax and Esquimalt would be maintained in the future in an equal state of efficiency as in the past. He added that so far as the negotiations had gone there was no indication of any intention on the part of the Imperial Government to abandon Halifax as a naval base.

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CANADA'S DUTY TO DEFEND HERSELF.—The duty of a nation to take measures in self-defence is not controverted. There are, however, various opinions as to the duty of a colony in this regard, not so much as to the duty itself, but, as to the method of fulfilling this obligation. There are diverse opinions also held as to the duty of a self-governing colony like Canada in respect to the defence of the Empire. No part of the British Empire is so absolutely self-contained, like many individual nations are, as to be wholly free from any dangers except those directly and exclusively arising from its own policy or actions. England might become involved in a war with other powers in relation to some dispute with which no other part of the Empire would have any direct concern or interest. Were such cases to arise what would be the duty of those sec-

tions of the Empire outside the sphere of the quarrel? Clearly, if the Empire is to maintain its unity intact it must be the duty of each part to assist the part attacked, for, were each part to repudiate such duty the Empire might, and soon would, be broken into fragments. *Imperial unity in time of peace involves Imperial unity in time of war.*

Whether any Colony chose to accept this duty or not its soil and its shipping would be in danger of attack by any power at war with the mother country. Were Russia to attack India the Australian colonies would probably be menaced by a Russian fleet. That danger would have to be guarded against and Canada would not be free from peril.

These imperial conditions involve very grave questions respecting the *share* to be undertaken by each colony in the defence of the Empire and of Imperial interests.

That such share involves self-defence, to some extent, seems a truism, but, whether duty demands *more* than self-defence is open to discussion.

* * * *

THE DUAL SYSTEM OF DEFENCE OF CANADA.—In Canada two systems have been established, which have grown up together without any mutual understanding. We have had a contingent of the British navy and army in Canada for defensive purposes, wholly maintained at the cost of Great Britain, and with these we have had a national Militia of which the entire cost has been borne by Canada. Now, it is obvious that, so far as naval defence is concerned our Militia does not count, for *that* we must rely on the mother country for years to come. But, so far as land forces are concerned, Canada can very well afford to dispense with the troops maintained here at the cost of British taxpayers. We have both the men and the money for this form of self-defence, and our national self-respect demands that we take on as the full responsibilities involved in the position to which Canada has risen as a self-governing and prosperous country. True, we have spent heavily on railways that are of Imperial service, but, as both the Intercolonial and the Canadian Pacific are and have been of incalculable value to Canadian trade, the construction of these lines can hardly be now regarded, as they have been in the past, as contributions by Canada to Imperial defence.

The movement to place the Halifax and Esquimalt garrisons in charge of the Dominion Government, to make them, that is, Canadian in the full sense, is a step in the right direction. In this policy, as in others, Sir Frederick Borden, will have the support of the country.

* * * *

CONFLICTING RUMOURS.—The news of the day is very much mixed, contradictory and, therefore, unworthy of trust. On the one hand we have confident reports of a great naval battle between the Japanese and Russian warships being anticipated, also, that a decisive battle is expected between the two armies in

Manchuria. Then, alongside these prognostications of continued fighting, we have it stated that peace is in prospect, the conditions precedent to which have been formulated by Russia. It is incredible that the terms of peace are under consideration when both armies and both navies are preparing for and anticipating the most sanguinary conflict of the whole war. The Japanese authorities repudiate their having made any peace overtures.

The disturbances at St. Petersburg, Warsaw, Moscow, and other places cannot but be causing the gravest anxiety to the Czar and his councillors, whose dread of the revolutionary movement at home must induce them to desire peace in the distant sphere of war. The conditions are so complicated, the news so contradictory, the forces that make for war so balanced against those that make for peace that it is impossible just now to form any decided judgment as to the near future.

* * * *

NEW CANADIAN PROVINCES.—A Bill of historic interest was introduced on 21st inst., in the House of Commons, Ottawa, by Sir Wilfrid Laurier, to confer full powers of Government on the people of Alberta and Saskatchewan, each of which it is proposed to raise into a separate province. For Saskatchewan Regina would be the capital, for Alberta, Calgary, Red Deer and Edmonton aspired to have this distinction. The decision is left in the hands of the people.

Until the next Census the new provinces will be represented in Parliament by ten members, as at present, and by 25 members in the new provincial legislatures. The ownership of the public lands will remain with the Dominion as it is regarded as most important for the development of settlement not to be hampered by different regulations as regards homesteads. The Territories, said Sir Wilfrid, had no swamps, their lands were all good and at \$1.50 per acre they had a value of \$37,500,000. It is proposed to allow the provinces 1 per cent. on this on their population up to 400,000, 1½ per cent. up to 800,000, 2 per cent. up to 1,200,000 and 3 per cent. thereafter. There will also be an allowance of ¼ of 1 per cent. for five years to provide public buildings, etc. The C. P. R., will be exempt from all taxation by the provinces.

As regards the burning question of separate schools these will be established whenever desired by a certain portion of the ratepayers, the cost thereof to be borne exclusively by those by whom they are established.

* * * *

REPRESENTATION OF NEW PROVINCES, ETC.—After the next Dominion election each of the two new provinces will have 4 members in the Senate, and 5 in the House of Commons. Each will have a Legislative Assembly of 25 members. They will come into existence, as such, on 1st July next and Provincial elec-

tions will take place before the close of 1905. The Opposition in Parliament will make a strenuous fight against the new provinces not being granted the ownership of the public lands within their boundaries, and the new provinces are up in arms against this.

* * * *

EARLY CLOSING OF STORES.—An effort is being made, which is likely to be successful, to compel all retail stores in this city, except those selling tobacco goods, candies and fruits, to be closed at 7 p.m., every Wednesday and Thursday, except when such days precede a public holiday. The intention of this movement is good, whatever its legality may be. To dictate the hours during which traders may keep open their places of business is open to grave objections, but the public at large would not offer any obstruction to a by-law for this purpose as a general feeling prevails that young women especially are confined too many hours in stores, to the injury of their health and morals.

* * * *

PEEL STREET.—The excitement over this street has subsided. The city authorities would do well to take the affair as evidence of there being some action called for to prevent thoroughfares in the residential sections becoming almost impassable by vehicles and certainly dangerous. Were the snow spread evenly and well rolled, and no inequalities allowed to accumulate, which make some streets a succession of snow billows and depressions that are most damaging to vehicles, the residential streets would be kept in a safer and more sightly condition, more befitting such a city as Montreal. A specially built snow plough and rake, drawn by a pair of horses would do all that is needed to keep these streets in a tolerably good condition in winter.

* * * *

THE CONGESTED DISTRICT, MONTREAL.—Mr. A. W. Hadrill, secretary of the Canadian Fire Underwriters' Association, referring to the rates charged by insurance companies in the congested district of Montreal, which comprises the district between McGill St. and Bonsecours market, stated that the companies paid out in losses last year more than their revenue from the same locality.

An official report to the C. F. U. A., estimated that a high pressure system would cost \$60,000 a mile, and that Montreal would need twelve miles, which would amount to \$720,000. Estimating the reduction that would be obtained at from 20 cents to 30 cents from current rates, if this amount were expended, the amount of premiums saved to insurers would be equivalent to the interest and also provide a sinking fund.

* * * *

EXCESSIVE POSTAL RATES.—On motion of Sir Geo. A. Drummond, the Senate has passed the following resolution:

"That the attention of the Government be directed to the local, foreign and imperial postal charges, with

the view of remedying certain inequalities therein, and the Senate affirms the principle that the conveyance of letters, newspapers, books, periodicals, etc., should be at a lower scale of charges within the Empire than at the time ruling with any foreign country."

NEW YORK LIFE INSURANCE COMPANY.

The net premium income in Canada last year was \$1,533,717. The amount of policies new and taken up amount to \$8,700,623 and total insurance in force \$44,454,062.

Notes and Items.

At Home and Abroad.

MONTREAL CLEARING HOUSE.—Total for week ending February 23, 1905.—Clearings, \$22,461,033; corresponding week 1904, \$16,870,198; corresponding week 1903, \$16,870,768.

OTTAWA CLEARING HOUSE.—Total for week ending 16th February, 1905—Clearings, \$1,934,782; corresponding week last year, \$1,515,265.

THE AGENTS' MISSION.—At the banquet of the Baltimore Life Underwriters' Association, Mr. Register, of Philadelphia, speaking on "The best way of increasing an agent's effectiveness," said.

"Can anything be more foolish or unfair than for a sensible agent to take valuable time when canvassing to attack a rival company, unless it be in self defence? A square-dealing agent has not time and no need to talk about any company except his own.

Then the greater folly of selling valuable goods over the bargain counter. The benefits of life insurance are too great and too important to be brought down to the level of frenzied finance.

"The agent's mission must not be mistaken for a wild scramble for business, which operates in any old way to open the public purse. On the contrary it is honest, conscientious work, giving you in due season the reward of your labour. Its purpose is to so educate and develop the agent's power that he will be happy and prosperous, because he has earned it by adopting high ideals.

"Insurance canvassing brings into play the noblest possible thoughts, and we have learned that noble thoughts make noble lives. The thought of the great good an agent does for the home is a creative thought. The sun shines in every life where such thoughts dwell. The natural fruitage of faith in them is a harvest rich in good grain and is the key to the highest measure of an agent's usefulness and effectiveness."

A HUGE INSURANCE CONTRACT.—The promotion of the Piccadilly Hotel, Limited, London, England, which opened its subscription list to the public on 31st January—capital, £800,000 in 80,000 5½ per cent. cumulative preference shares of £5 each, and 400,000 ordinary shares of £1 each—has, naturally, aroused particular interest in London financial circles as marking a further gigantic development of a form of enterprise in which competition has become so fierce in recent years. But the new undertaking has also an exclusive interest for insurance men, for we notice an announcement in the preliminary prospectus that a capital redemption policy to replace the amount of the debenture stock and preference shares, amounting together to £1,100,000, at par on the expiration of the Crown lease in 1903, is to be ef-

fectured with the Norwich Union Life Insurance Society. It is understood that this huge insurance has been definitely accepted by the Norwich Union, and that all arrangements have been made for reinsurance and so forth. It is believed that, with the possible exception of a marine policy in connection with the memorable Alabama affair, or some transaction allied to it, this is the biggest policy of insurance ever issued on any single contingency. For that reason, if for no other, the floating of the Piccadilly Hotel will call for recognition in the insurance almanacs of the future.—"The Policy-Holder."

Correspondence.

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

LONDON LETTER.

London, Eng., 9th Feb., 1905.
FINANCE.

Some time ago I recorded the beginning of a new feature in responsible British banking. A prominent north country credit institution made a bid for the support of the man of smaller means by the institution of a savings bank department, where small deposits were to be received down to the level of a shilling. Notwithstanding many manifest advantages in the scheme, however, and despite the fact that it has been introduced to all the prominent banking houses in the country, only a few provincial institutions have taken it up.

Amongst the proclive objections urged by leading men, I find it claimed that there is something of a law which regulates the accumulation of deposits in savings banks. This "Law" is held to show that savings banks depositors withdraw annually certain fixed proportions of the current year's and previous years' deposits. In fact, the total of any year's repayment is made up by taking the sum total of the geometrical progression ratios of that year's and previous year's deposits, the constant factor always being just half, so that under these conditions, at the end of five years the deposit of the first year will have been all withdrawn with the exception of 1-32 of their total.

No particular fault can of course be found with this as a basis for a banking business, but it can easily be seen that any commercial bank taking up the business would have to modify or change its system of working sooner or later, when it had gathered together a fair volume of these deposited savings. It is also urged against the suggested new product that it could only be effected on a very low cash reserve, and if large amounts of deposits were attracted to the institution it would have the effect of reducing very seriously the ratio of cash in the balance sheet to the whole of the deposits. And further, a savings bank department would necessitate opening on Saturday nights, and, in fact, after the usual banking hours all the week. Therefore, it may be taken that the great majority of the banks of the United Kingdom will, for the time being, be quite content to stand on one side and watch the experiment.

Speculative dealings in Grand Trunk issues continue fairly active on the London Stock Exchange, and current market opinion inclines to the view that the First and Second Preferred stocks will receive a dividend of 5 per cent. each. That there should be anything paid on the Thirds, however, is regarded here as wildly improbable.

Hudson's Bay still attract a steady investment attention, the price now having touched £56 15s. od., or almost \$284 for the \$50 paid share. In this connection it is interesting to note that at the fur sales just ended prices moved very irregularly, but generally closed better than at the same time last year. Hudson's Bay musquash, however, showed a fall

in price of 20 per cent. as compared with the quotation at the October sales. At the same time the Hudson's Bay ship with a large quantity of sables on board is missing for the second time this year. A loss is feared.

According to the newest issue of the British Directory of Directors, Mr. Rube, a partner of the famous Rand financial house of Werner, Beit & Company, is still our premier director. He sits on the Board of forty-four companies—all being Transvaal ones. Mr. Edmund Davis comes second with thirty-two companies, and Mr. Hugo Goldie third, with twenty-four Transvaal directorates to his name.

INSURANCE.

The Manufacturers Life seems to be steadily making itself known on this side. There are recognized to be many difficulties surrounding the entry of a new life company into this country, but it is also recognized that there are great advantages resulting from a successful attempt.

For example, the Canada Life, under the keen and capable guidance of Mr. Cheyne, has had an almost remarkable record of business success in the short time it has been working on this side, and in several instances special new movements on the parts of old established home offices can certainly be traced to the excellent competitive stimulus applied by the Canada Life.

In the same way, although in other departments of insurance work, splendid service is being rendered by Mr. Meikle, of the Western, of Toronto. The unflinching tact and courtesy of that gentleman stand out conspicuously even in a branch of industry where they are by no means uncommon features.

The downfall of the Nelson's pension and life assurance tea scheme has at last happened, and the notes written here any time during the last twelve months are amply justified. Beginning as a bright idea conceived a few years ago by one, Jensen, a tea merchant of Lough, it grew rapidly too big for the founder to handle. He secured a fortune by selling out to a company financier, mainly by Mr. Emerson Bainbridge, a member of Parliament, and Morris Cotton, an ex-promoter of Klondyke gold companies. They netted huge sums, and very soon the customers were numbered by the hundreds of thousands—all buying inferior tea at a price estimated high enough to cover the price of the insurance benefits. The number of pensioners grew rapidly to 19,000, and the actuarial liability to over seventy million dollars. The pensions gave out, and the courts have ordered a compulsory winding up.

STOCK EXCHANGE NOTES.

Wednesday, p. m. February 22, 1905

Canadian securities were prominent in this week's market and trading in them was active. Montreal Power was decidedly strong during the early part of the week and closed at a good gain over last week's closing quotation. The Dominion Iron securities came into prominence to-day and were actively dealt in at advancing prices, the Bonds particularly being in good demand. Nova Scotia Steel Common was also prominent but on a fair volume of business declined over a point during the week. A portion of this loss has, however, been recovered and the stock closed firmer. The erratic price movement in this security has been puzzling the market. From what can be learned of the Company's position and of the business of the past year, their earnings seem to be satisfactory. Until the annual statement is placed before the shareholders, however, the market only has rumours to go upon, and it seems beyond question that some heavy liquidation has recently taken place. The advance in

Montreal Power seems warranted, and the price can go considerably further before it reaches a level commensurate with its intrinsic value.

The Dominion Coal Company statement for the year ending 31st December, 1904, has been issued to the shareholders, and the annual meeting will be held on the 2nd of March. While no dividend on the Common stock has been declared, the report has been interpreted as satisfactory by the armurers of the stock; for a non-dividend payer the stock keeps remarkably high. The report is referred to more fully in another column.

The Halifax Electric Tramway Company statement for the year ending 31st December, 1904, shows net earnings of \$137,523.34 5 per cent. dividends on the capital stock absorbed \$67,500. \$3,159.47 was spent in interest and out of the year's earnings \$66,863.77 was transferred to surplus account, which now stands at \$162,015.73. The Company has made steady progress and the shareholders seemingly are warranted in expecting a higher rate of dividend in the near future.

There is no change in the Montreal bank rates for call money, which remain at 4½ per cent. In New York the ruling rate to-day was 2½ per cent, while the call rate in London was 3 per cent.

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

	Market.	Bank.
Paris.....	1½	3
Berlin.....	1½	3½
Amsterdam.....	2½	3
Vienna.....	2½	3½
Brussels.....	2½	3

Canadian Pacific reacted to 137, recovering to 137 7/8, closing with 137¼ bid, a net loss of 3/8 of a point and 3,281 shares were traded in. The New Stock closed with 133½ bid, a decline of 5/8 of a point from the closing quotation of last week. The transactions in the New Stock totalled 592 shares, and the earnings for the second week of February show an increase of \$

Soo Common reached 106¼, and an even 1000 shares were dealt in during the week.

The Grand Trunk Railway Company's earnings for the second week of February show an increase of \$

The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day.
First Preference.....	112½	112
Second Preference.....	100½	100½
Third Preference.....	48½	47½

Montreal Street Railway has reacted from the recent advance and closed with 214 bid, a decline of 3¼ points from last week's close. The trading was less active and only totalled 675 shares. There was only one transaction in the New Stock, 25 shares changing hands at 215. The earnings for the week ending 18th inst. show an increase of \$4,777.82 as follows:—

		Increase.
Sunday.....	\$4,706.70	\$*3.77
Monday.....	6,241.12	*50.97
Tuesday.....	6,732.24	1,246.75
Wednesday.....	6,761.41	1,275.09
Thursday.....	6,822.48	911.87
Friday.....	6,549.81	642.13
Saturday.....	7,209.73	756.72

Toronto Railway closed with 104¼ bid, a fractional decline from the quotation prevailing a week ago. The trading was limited and only 235 shares changed hands.

The earnings for the week ending 18 inst., show an increase of \$4,911.39 as follows:—

		Increase.
Sunday.....	\$2,939.20	\$ 116.42
Monday.....	6,783.83	462.15
Tuesday.....	6,381.97	326.79
Wednesday.....	7,188.15	1,224.88
Thursday.....	7,002.93	853.62
Friday.....	7,192.23	775.44
Saturday.....	8,478.54	1,152.09

Twin City advanced to 106 and closed with 105½ bid, a net gain of ¾ of a point for the week and 1,226 shares were involved in the trading. The earnings for the second week of February show an increase of \$

Detroit Railway sold up to 79¼, but has reacted and closed with 78 bid, a net loss of ⅝ of a point for the week on a business involving 1,013 shares.

There was only one transaction in Halifax Tram this week, 25 shares changing hands at 105½, which is a decline of 3½ points from the last sale. The closing bid was 104.

Toledo Railway advanced to 26, reacting and closing with 25 bid, a net gain of ⅜ of a point for the week and 885 shares were traded in.

The Mackay stocks are firm and the first annual statement of the trustees is being looked for with interest. The closing quotation for the Common was 43¼ bid, a gain of ¼ point for the week on transactions involving 585 shares. The Preferred Stock was not active, but shows a gain of ¼ point for the week, closing with 75½ bid. The trading brought out 268 shares.

Ogilvie Preferred is now selling ex-dividend of 1¾ per cent. for the quarter, and closed with 127 X.D. bid. The only transaction this week was a broken lot of 17 shares.

R. & O. was very inactive but remains fairly firm and closed with 62½ bid, a decline of ⅜ of a point for the week and 68 shares were dealt in.

Montreal Power developed strength and sold up to 82¾ and closed with 82 bid, a net gain of 1¼ points. The stock was active and 3,085 shares came out during the week.

Dominion Iron Common shows an advance of ⅞ of a point and closed with 18½ bid on a business of 1,029 shares for the week. The Preferred closed with 68½ bid, an advance of 4¼ points over last week's closing quotation. The trading brought out 616 shares. The Bonds were quite active and \$240,000 were traded in the greater part of the business being done to-day. The highest of the week was 85 and the closing quotation was 84¾ bid, a gain of 3½ points for the week.

Nova Scotia Steel Common was dealt in to the extent of 1,131 shares. The lowest of the week was 66¼ and the closing bid was 67, a net decline of ½ point for the week. There was no trading in the Preferred Stock. The last sales of the Bonds were made at 106½ and \$4,000 were dealt in.

Dominion Coal Common closed with 67 bid, a gain of 1¼ points. The trading was limited and only 200 shares were dealt in during the week. There were no transactions in the Bonds, but 2 shares of the Preferred Stock changed hands at 114¼.

	Per cent.
Call money in Montreal.....	4½
Call money in New York.....	2½
Call money in London.....	3
Bank of England rate.....	3
Consols.....	91
Demand' Sterling.....	9½
60 days Sight Sterling.....	9½

Thursday, p. m. February 23rd, 1905.

The market opened strong and active this morning, but has reacted from the highest, although closing firm. Canadian Pacific opened at 138 and closed offered at 137½ with 137 bid. Soo Common opened at 106, advanced to 107, reacting to 106 again in the afternoon and closing with 105¾. Montreal Stree sold at 216 and 216½, and the New Stock at 215. Detroit Railway sold at 78¾ and 78½, Toronto Street at 104¾ and Twin City at 103¾. There was one transaction of 500 shares of Trinidad at 85. Dominion Coal Preferred sold at 115½ and the Common at 68. Nova Scotia Steel Common was traded in at 67¼ and a broken lot at 67¾. Montreal Power sold up to 82½ in the morning, reacting to 81¾ this afternoon. R. & O. was firm at 63. Mackay Common sold at 43¼ and 43½, and the Preferred at 75%. The Iron Stocks were active, the Common being traded in between 19¼ and 18¾, closing with 18 bid, while the Preferred after advancing to 70, reacted to 68½. The Bonds opened at 85½, but reacted to 84½ in the afternoon on transactions for the day of \$56,000. Winnipeg Bonds advanced to 107 and \$12,000 sold at this price. A broken lot of Dominion Cotton sold at 40 and 15 shares of Bell Telephone at 161. Some small transactions in Bank of Commerce at 165¼ and 3 Merchants Bank at 171 completed the day's business.

MONTREAL STOCK EXCHANGE SALES

THURSDAY, FEBRUARY 23 1905.

MORNING BOARD.

No. of shares.	Price	No. of Shares.	Price.
75 C.P.R.....	138	1 Dom. Cotton.....	40
150 ".....	137½	200 Coal Com.....	68
50 ".....	138	50 Scotia Com.....	67½
25 ".....	137½	293 Molsons Bank.....	223
75 Soo Com.....	106	3 Merchants Bank.....	171
25 ".....	106½	20 Commerce.....	165¼
50 ".....	107	100 Iron Com.....	19¼
25 ".....	106¾	225 ".....	19
175 ".....	107	22 ".....	19½
25 ".....	106½	180 ".....	19½
50 Street.....	216	25 ".....	19
150 ".....	216½	325 ".....	19½
25 New Street.....	215	100 " Pfd.....	69
25 R. & O.....	63	175 " ".....	69¾
7 ".....	63	50 " ".....	69¾
50 ".....	63	10 " ".....	69
50 Detroit.....	78¾	50 " ".....	69¾
25 ".....	78½	125 " ".....	70
3 Mackay Com.....	44¾	50 " ".....	69¾
10 ".....	44	125 " ".....	70
25 ".....	43¾	\$18,000 " Bonds.....	85½
25 ".....	43¾	5,000 " ".....	85¾
25 Power.....	82½	28,000 " ".....	85
41 ".....	82¾	\$12,000 Winnipeg Bonds	107
25 Mackay Pfd.....	75¾		

AFTERNOON BOARD.

25 Dom. Iron & Steel Co	19	50 Soo Com.....	106
25 ".....	18¾	25 Switch Pfd.....	112
75 ".....	18¾	1 ".....	110
25 " Pfd.....	68½	200 Twin City.....	105¾
225 Montreal Power.....	82	10 Scotia Com.....	67¾
50 ".....	81¾	15 Bell Telephone.....	161
30 Toronto Ry.....	104¾	500 Trinidad.....	85
10 ".....	104¾	2 C.B. & F.C.....	165
25 R. & O.....	63	2,000 Iron Bonds.....	84¾
25 Dom. Coal Pfd.....	115½	3,000 ".....	84¾
1 ".....	115		

The gross traffic earnings of the Grand Trunk Canadian Pacific, Canadian Northern, Duluth, South Shore & Atlantic railways, and the Montreal, Toronto, Halifax, Twin City and Havana street railways, up to the most recent date obtainable, compared with the corresponding period for 1902 and 1903, were as follows:

GRAND TRUNK RAILWAY.				
Year to date.	1903.	1904.	1905.	Increase
Jan. 31	\$2,634,110	\$2,253,378	\$2,556,310	\$302,932
Week ending.	1903.	1904.	1905.	Increase
Feb. 7	582,312	326,869	563,582	236,713
14	616,754	389,825	503,254	113,429

CANADIAN PACIFIC RAILWAY.				
Year to date.	1903.	1904.	1905.	Increase
Jan. 31	\$3,147,000	\$2,896,000	\$3,246,000	\$350,000

GROSS TRAFFIC EARNINGS				
Week ending	1903.	1904.	1905.	Increase
Feb. 7	\$705,000	615,000	755,000	140,000
14	688,000	544,000	706,000	162,000

NET TRAFFIC EARNINGS.				
Month.	1902.	1903.	1904.	Inc.
January	\$820,461	\$ 916,771	\$357,652	Dec. \$559,119
February	674,361	742,741	82,541	" 660,200
March	1,054,915	1,258,564	850,854	" 407,710
April	1,291,706	1,493,173	412,533	" 80,440
May	1,166,892	1,383,357	1,391,565	8,208
June	846,737	1,246,055	1,449,911	203,856
July	1,175,711	1,318,527	1,449,652	131,125
August	1,362,901	1,434,102	1,527,930	93,827
September	1,410,755	1,202,266	1,268,808	66,542
October	1,616,134	1,654,027	1,566,114	Dec. 87,913
November	1,558,240	1,477,981	1,669,575	191,594
December	1,672,442	1,581,145	1,662,669	81,524
Total	14,651,255	15,708,769	13,689,804	

CANADIAN NORTHERN RAILWAY.

GROSS TRAFFIC EARNINGS.				
July 1st, 1902 to	July 1st, 1903 to	July 1st, 1904 to	July 1st, 1905 to	Increase
June 30, 1903	June 30, 1904	June 30, 1905	June 30, 1906	
\$2,304,450	\$3,124,800	\$3,124,800	\$820,350	
Week ending.	1904.	1905.	1906.	Increase
Feb. 7	40,400	48,100	7,700	
14	42,300	50,900	8,600	

DULUTH, SOUTH SHORE & ATLANTIC

Week ending.	1903.	1904.	1905.	Increase
Jan. 7	39,187	36,145	.....	.....
14	40,647	41,969	40,672	Dec. 1,297
21	38,611	40,278	47,106	6,828
31 .....	.....	47,000	64,998	24,998
Feb. 7	41,146	36,575	43,566	6,991

MONTREAL STREET RAILWAY.

Month.	1903.	1904.	1905.	Increase
January	\$ 168,883	\$ 182,386	\$ 201,096	18,710
February	139,065	167,023	.....	.....
March	168,987	183,689	.....	.....
April	170,050	184,905	.....	.....
May	170,773*	217,341	.....	.....
June	205,454	229,565	.....	.....
July	212,337	223,137	.....	.....
August	208,586	226,764	.....	.....
September	212,156	216,295	.....	.....
October	204,452	219,633	.....	.....
November	187,930	201,147	.....	.....
December	187,780	208,428	.....	.....
Week ending.	1903.	1904.	1905.	Increase
Feb. 7	27,133	39,568	45,695	6,427
14	35,203	40,992	44,924	3,932

TORONTO STREET RAILWAY.

Month.	1903.	1904.	1905.	Increase
January	\$ 161,938	\$ 179,300	\$ 196,970	\$17,610
February	146,539	168,904	.....	.....
March	159,943	183,643	.....	.....

* Strike. † Spanish Silver.

TORONTO STREET RAILWAY.				
Month	1903.	1904.	1905.	Increase
April	162,276	183,763	.....	.....
May	174,519	198,317	.....	.....
June	177,593	207,482	.....	.....
July	192,629	211,356	.....	.....
August	185,822	217,887	.....	.....
September	237,010	246,862	.....	.....
October	183,810	202,344	.....	.....
November	174,039	198,150	.....	.....
December	199,115	213,662	.....	.....
Week ending.	1903.	1904.	1905.	Inc.
Feb. 7	36,619	42,823	45,099	2,276
14	36,625	41,789	45,419	3,630

TWIN CITY RAPID TRANSIT COMPANY.

Month.	1903.	1904.	1905.	Inc.
January	\$310,084	\$329,354	\$349,469	20,115
February	280,947	310,180	.....	.....
March	317,839	338,580	.....	.....
April	315,465	332,615	.....	.....
May	337,699	358,344	.....	.....
June	346,018	365,897	.....	.....
July	362,702	381,224	.....	.....
August	363,579	386,629	.....	.....
September	370,349	371,476	.....	.....
October	346,673	365,938	.....	.....
November	333,424	352,433	.....	.....
December	357,452	374,738	.....	.....
Week ending.	1903.	1904.	1905.	Inc.
Feb. 7	69,444	73,729	78,328	4,599
14	61,763	74,233	78,264	4,031

HALIFAX ELECTRIC TRAMWAY CO., LTD.
Railway Receipts.

Month.	1903.	1904.	1905.	Inc.
January	\$10,867	10,677	\$10,256	Dec. 421
February	9,322	9,804	.....	.....
March	10,195	11,142	.....	.....
April	10,533	11,145	.....	.....
May	10,768	12,074	.....	.....
June	11,844	14,051	.....	.....
July	15,942	17,528	.....	.....
August	16,786	17,402	.....	.....
September	18,494	17,862	.....	.....
October	12,055	12,434	.....	.....
November	11,220	11,085	.....	.....
December	12,160	12,163	.....	.....
Week ending.	1903.	1904.	1905.	Inc.
Feb. 7	2,332	2,441	2,108	Dec. 333
14	2,387	2,442	2,087	355

Lighting Receipts.

Month.	1903.	1904.	1905.	Inc.
January	\$13,863	\$ 16,317	\$15,667	Dec. 650
February	11,924	14,227	.....	.....
March	10,523	12,718	.....	.....
April	10,156	12,116	.....	.....
May	9,020	9,756	.....	.....
June	8,368	8,998	.....	.....
July	8,351	8,952	.....	.....
August	8,826	9,596	.....	.....
September	10,781	11,720	.....	.....
October	13,186	14,209	.....	.....
November	14,200	16,273	.....	.....
December	16,611	17,684	.....	.....

HAVANA ELECTRIC RAILWAY CO.

Month.	1902.	1903.	1904.	Increase
Jan	\$87,597	\$102,000	\$130,707	\$48,709
Feb	87,014	104,647	130,579	25,932
March	101,951	120,389	144,921	24,532
April	98,435	119,974	139,505	19,531
May	120,712	130,925	140,256	9,331
June	91,223	120,818	137,273	16,455
July	104,565	127,271	145,623	18,352
Aug	109,092	131,885	152,135	18,250
Sept	105,959	128,323	143,623	15,300
Oct	106,139	125,031	145,781	20,750
Nov	102,349	122,415	141,540	19,125
Dec	104,791	127,644	150,668	23,024
Week ending	1904.	1905.	.....	Increase
Feb. 7	132,155	144,518	.....	2,383
14	30,844	37,182	.....	6,338

STOCK LIST

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

Corrected to February 22nd, 1905, P.M.

BANKS.	Capital subscribed	Capital paid up	Reserve Fund.	Per Cent of Rest to paid up Capital.	value of one share.	Market value of one share.	Dividend for last half year	Revenue on investment at present prices.	Closing price per cent. c n par.	When Dividend payable.
	\$	\$	\$	\$	\$	\$	Per Cent.	Per Cent.	Asked. Bid.	
British North America	4,866,666	4,866,666	1,946,666	40.00	243	315 90	3	4 61	130	Jan 1
Canadian Bank of Commerce	2,700,000	2,700,000	3,501,000	40.23	50	82 25	3	4 26	154	June
Crown Bank of Canada	755,000	622,851			100					
Dominion	3,000,000	3,000,000	3,500,000	110.66	50		2 1/2			Jan. Apr. July. Oct.
Eastern Townships	3,000,000	2,477,985	1,500,000	60.53	100	170 00	4	4 70	170 160	January July
Hamilton	2,237,400	2,235,380	2,100,085	94.00	100		5			June
Hochelaga	2,000,000	2,000,000	1,200,000	60.00	100		8 1/2	5 22	134 178	June
Imperial	3,000,000	3,000,000	3,001,000	100.00	100	240 10	5	4 16	240	June
La Banque Nationale	1,500,000	1,600,000	450,000	30.00	30		3			May
Merchants Bank of P. E. I.	844,073	844,073	596,000	86.02	32.44		4			July
Merchants Bank of Canada	6,000,000	6,000,000	3,200,000	53.33	100	170 00	3 1/2	4 11	170	July
Metropolitan Bank	1,001,000	1,000,000	1,000,000	100.00	100		4			July
Motons	3,000,000	3,000,000	3,000,000	100.00	50		4 1/2	4 46	224 222 1/2	April
Montreal	14,000,000	14,000,000	10,000,000	71.42	100	256 50	5	3 90	256 1/2 235 1/2	April
New Brunswick	500,000	500,000	800,900	161.00	100		6			January July
New Scotia	2,000,000	2,000,000	3,200,000	160.00	100	285 00	3	3 77	265 260	February Aug.
Ontario	1,500,000	1,500,000	600,000	40.00	100	111 00	3	4 25	141	June
Outawa	2,500,000	2,500,000	2,500,000	100.00	100	113 00	4 1/2	4 18	215	June
People's Bank of Halifax	1,000,000	1,000,000	440,000	44.00	20		4			March
People's Bank of N. B.	180,000	180,000	175,000	97.22	100		4			January July
Provincial Bank of Canada	846,557	823,300			150		1 1/2	5 42	129	April
Quebec	2,500,000	2,500,000	400,000	16.00	100		3		226 210 1/2	February Aug.
Royal	3,000,000	3,000,000	3,000,000	100.00	100	225 00	4	3 55		Feb. May Aug. Nov.
Sovereign Bank	1,300,000	1,300,000	350,000	26.92	100		1 1/2			
Standard	1,000,000	1,000,000	1,000,000	100.00	50		5			June
St. Stephens	300,000	200,000	450,000	150.00	100		2 1/2			April
St. Hyacinthe	504,600	329,515	75,000	22.76	100		3			February Aug.
St. Johns	500,000	274,920	10,000	3.60	100		3			
Toronto	3,000,000	3,000,000	3,300,000	110.00	100	234 00	5 & 1 1/2	4 70	224	June
Traders	2,000,000	2,564,797	709,000	35.45	100		3 1/2			June
Union Bank of Halifax	1,336,150	1,336,150	931,405	69.70	100	140 00	3 1/2	5 60	140	February Aug.
Union Bank of Canada	2,500,000	2,500,000	1,000,000	40.00	100		3 1/2			June
We tern	500,000	500,000	217,500	43.50	100		3 1/2			June
Yarmouth	300,000	300,000	31,000	11.66	75		2 1/2			Feb.
MISCELLANEOUS STOCKS.										
Bell Telephone	7,975,106	7,916,950	133,607	25.53	100		2			Jan. Apr. Jul. Oct.
Can. Colored Cotton Mills Co.	2,700,000	2,700,000			100		5			January
Canada General Electric	1,478,000	1,475,000	305,000		100		3	4 34	138 137 1/2	April
Canadian Pacific	101,430,000	87,351,000			100	138 00	3			Jan. Apr. July Oct.
Commercial Cable	15,000,000	15,000,000	4,923,122	32.75	100		1 1/2 & 1	5 12	78 1/2 78	Jan. July
Detroit Electric St.	12,500,000	12,500,000			100	78 62	1 1/2			Jan. July
Dominion Coal Preferred	3,000,000	3,000,000			100		4			Jan. July
do Common	15,000,000	15,000,000			100	67 50			67 1/2	Jan. July
Dominion Cotton Mills	3,000,000	3,000,000			100					
Dom. Iron & Steel Com.	20,000,000	20,000,000			100	19 00			19 1/2	Jan. July
do Ffd.	5,000,000	5,000,000			100	69 00			69 00	Jan. July
Duluth S. S. & Atlantic	12,000,000	12,000,000			100					
do Ffd.	10,000,000	10,000,000			100					
Halifax Tramway Co.	1,350,000	1,350,000			100	110 00	1 1/2	4 54	110 104	Jan. Apr. July Oct.
Hamilton Electric St. Com.	1,700,000	1,700,000			100					January July
do Ffd.	2,278,000	2,278,000			100		2 1/2			
International Coal Co.	500,000	500,000			100					Jan.
do Preferred	219,740	219,740	90,474	12.06	100		7 1/2	6 66	105 103 1/2	Jan. May Aug. Nov.
Lanxide Paper Co.	1,300,000	1,300,000			100		3 1/2			January July
Laurel Paper, Ffd.	1,200,000	1,200,000			100		3			Feb. August
Lake of the Woods Mill. Co. Fd.	1,500,000	1,500,000			100		3			
Marconi Wireless Telegraph Co.	5,000,000				5					
Mackay Companies Com.	50,000,000	41,580,400			100	43 75		5 26	75 1/2	Jan. A. July Oct.
do Ffd.	50,000,000	35,988,700			100	75 75	1 1/2	3 20	105 104 1/2	
Merchants Cotton	1,200,000	1,200,000	300,000		100					
Min. St. Paul & S.S.M.	4,011,000	14,000,000			100	105 25	3	3 40	105 104 1/2	
do Ffd.	7,000,000	7,000,000			100		3 1/2			
Montmorency Cotton	1,000,000	1,000,000			100					
Montreal Cotton Co.	3,000,000	3,000,000			100		1 1/2			Mar. Jun. Sep. Dec.
Montreal Light, Ht. & Pwr. Co.	17,000,000	17,000,000			100	52 25	1 1/2	4 87	82 81	Feb. May Aug. Nov.
Montreal Street Railway	6,000,000	6,000,000	603,379	13.51	50	105 00	2 1/2	4 62	216 214	Feb. May Aug. Nov.
do New	1,000,000	1,000,000			100		2 1/2			
Montreal Telegraph	2,000,000	4,000,000			40					Jan. Apr. Jul. Oct.
National Salt Com.	7,000,000	7,000,000			100		1 1/2			June
do Ffd.	5,000,000	5,000,000			100					December
North-West Land, Com.	1,467,881	1,467,881			25					March.
do Pref.	3,090,825	3,090,825			100		6 1/2			April
N. Scotia Steel & Coal Co. Com.	4,120,000	5,000,000	750,000	15.00	100	67 50	3	8 82	67 1/2 67	Jan. Apr. July Oct.
do Ffd.	1,030,090	1,030,000			100		2 1/2			Mar. Jun. Sep. Dec.
Ogilvie Flour Mills Co.	1,250,000	1,250,000			100	200 00			200	Mar. Jun. Sep. Dec.
do Ffd. X. D.	2,000,000	2,000,000			100	138 00	3 1/2	5 26	138 127	do do
Richelieu & Ont. Nav. Co.	3,122,000	3,122,000			100	63 50			63 1/2 62 1/2	May Nov.
St. John Street Railway	707 86 1/2	717 86 1/2	21,101	7.93	100	113 00	3	5 20	113	Mar. Jun. Sep. Dec.
Toledo Ry & Light Co.	12,000,000	12,000,000			100	28 00			26 25	
Toronto Street Railway	6,500,000	6,500,000	1,424,138	8.10	100	105 50	1 1/2	4 76	105 104 1/2	Jan. Apr. Jul. Oct.
Trinidad Electric Ry	1,200,000	1,032,000			40		1 1/2			Jan. Apr. Jul. Oct.
Iris City Rapid Transit Co.	16,311,000	16,311,000	2,163,507	14.41	100	106 25	1 1/2	4 71	106 105 1/2	Jan. Apr. Jul. Oct.
do Preferred	3,000,000	4,000,000			100		1 1/2			Dec. Mar. Jun. Sep.
Windsor Hotel	800 00	400,000			100		3			May Nov.
Winnipeg Elec. St. Railway Co.	4,000,000	4,000,000			100	150 00	1 1/2	3 33	150	Jan. Apr. July Oct.

Quarterly. † Honor of 1 percent Monthly. ‡ Price per Share \$ Annual. e These figures are corrected from last (Oct. Fm) Statement DEC. 31st, 1903

STOCK LIST—Continued.

BONDS.	Rate of Interest per annum	Amount outstanding.	When Interest due		Where Interest payable.	Date of Redemption.	Latest quotations.	REMARKS
Commercial Cable Coupon	4	\$18,000,000	1 Jan.	1 Apl.	{ New York or London.....	1 Jan., 1897.	96	
Registered.....	4		1 July	1 Oct.				
Can. Colored Cotton Co.	5	2,500,000	2 Apl.	2 Oct.	Bank of Montreal, Montreal.....	2 Apl., 1902.	98	
Canada Paper Co	5	200,000	1 May	1 Nov.	Merchants Bank of Can., Montreal	1 May, 1917.....		
Bell Telephone Co	5	2,000,000	1 Apl.	1 Oct.	Bank of Montreal, Montreal.....	1 Apl., 1925.....	100j	Redeemable at 110
Dominion Coal Co.	5	2,453,000	1 Mch.	1 Sep.	Bank of Montreal, Montreal.....	1 Mch., 1913.....		Redeemable at 110
Dominion Cotton Co	4j	\$ 398,300	1 Jan	1 July		1 Jan., 1916.....		
Dominion Iron & Steel Co.....	5	\$ 7,876,000	1 Jan.	1 July	Bank of Montreal, Montreal....	1 July, 1929.....	85	Redeemable at 110 & accrued interest Redeemable at 108
Halifax Tramway Co	5	\$ 600,000	1 Jan.	1 July	Bk. of N. Scotia., Hal. or Montreal	1 Jan., 1916.....		
Intercolonial Coal Co	5	344,000	1 Apl.	1 Oct.		1 Apl., 1918.....	107	
Laurentide Pulp	5	1,114,000						
Montmorency Cotton.....	4	1,000,000				1 July, 1921.....		
Montreal Gas Co	5	880,074	1 Jan.	1 July	Company's Office, Montreal.....	1 July, 1932.....	101j	Redeemable at 105 after Jan. 1st, 1912
Montreal Light, Heat and Power	4j	7,500,000	1 Jan.	1 July	Bank of Montreal, Montreal.....	1 Mch., 1908.....		
Montreal Street Ry. Co	5	292,000	1 Mch.	1 Sep.	{ Bank of Montreal, London, Eng.	1 Aug., 1922.....		
" "	4j	681,333	1 Feb.	1 Aug.	" " Montreal.....	1 May, 1922.....	103	
" "	4j	1,500,000	1 May	1 Nov.	{ Union Bank, Halifax, or Bank	1 July, 1931.....	107	
Nova Scotia Steel & Coal Co.....	6	2,500,000	1 Jan.	1 July	{ of Nova Scotia, Mont' or Tr'n'to	1 June, 1932.....	116	Redeemable at 112 after June 1st.
Ogilvie Flour Mill Co	6	1,000,000	1 June	1 Dec.	Bank of Montreal, Montreal.....			Redeemable at 11j
Rebellion & Ont. Nav. Co.	5	471,580	1 Mch.	1 Sep.	Montreal and London.....	1 Mch., 1915.....	103	
Royal Electric Co'	4j	\$ 130,900	1 Apl.	1 Oct.	Bk. of Montreal, Mont' or London	Oct., 1914.....		Redeemable at 112
St. John Railway	5	\$ 678,000	1 May	1 Nov.	Bank of Montreal, St. John, N.B.	1 May, 1925.....		5 p.c. redeemable yearly after 1912
Toronto Railway	5	600,000	1 Jan.	1 July	{ Bank of Scotland, London.....	1 July, 1914.....		
" "	4j	2,509,953	28 Feb.	31 Aug.		31 Aug., 1921.....	103	
Windsor Hotel	4j	340,000	1 Jan.	1 July	Windsor Hotel, Montreal.....	2 July, 1912.....		
Winnipeg Elec. Street Railway...	5	3,000,000	1 Jan.	1 July	Bank of Montreal, Montreal.....	1 Mch., 1927.....	104j	
Toledo Ry. & Light Co	5	700,000	1 Jan.	1 July		1 July, 1912.....		
" "	5	5,125,000	1 Jan.	1 July		1 July, 1903.....		
" "	5	4,000,000	1 Jan.	1 July		1 July, 1909.....		

[FIRE]

German American

Insurance Company

New York

Pa. Value.	33rd ANNUAL STATEMENT, JANUARY 1st, 1905.	Market Value.
\$1,080,000	U.S. State and N.Y. City Bonds.....	\$1,087,850.00
3,848,000	Railroad Bonds	4,055,460.00
265,000	Miscellaneous Bonds.....	288,350.00
3,641,650	Railroad Stocks.....	4,716,824.00
226,175	N.Y. Bank and Trust Co's Stock.....	597,507.00
374,500	Miscellaneous Stocks.....	899,450.00

\$9,435,325	\$11,625,441.00
Cash in Banks and Office.....	402,324.95
Cash in hands of Agents.....	871,573.62
Accrued Interest.....	51,366.26
Real Estate.....	15,000.00
Bonds Secured by Mortgages.....	15,000.00
TOTAL ASSETS	\$12,980,705.83

CAPITAL STOCK.....	\$1,500,000.00
Reserve for Insurance in Force	4,713,862.04
Reserve for Losses	637,067.25
Reserve for all other Claims.....	287,869.16
NET SURPLUS beyond all Liabilities.....	5,841,907.38
	\$12,980,705.83

FORTY-FIFTH ANNUAL REPORT

THE LONDON MUTUAL

FIRE INSURANCE COMPANY OF CANADA

For the Year Ending 31st December, 1904

DIRECTORS' REPORT

TO THE SHAREHOLDERS AND MEMBERS OF THE LONDON MUTUAL FIRE INSURANCE COMPANY OF CANADA:—

Your Directors have pleasure in presenting the Forty-fifth Annual Report and Balance Sheet of the Company, for the year ending December 31, 1904.

It will be seen that the assets stand at \$755,707.33, an increase of \$18,910.78 over the amount shown at the close of the year ending December 31, 1903.

The Reinsurance Reserve, amounting to \$342,484.76, has been calculated on the basis of the pro rata unearned premium of all policies in force at December 31, 1904, both on cash and mutual systems.

Your Directors are pleased to report that notwithstanding the heavy loss on account of the Toronto conflagration, which happened on April 19 last, the Company met all

claims promptly, without having to sell a debenture, realize on a mortgage, call on extra capital, or borrow a dollar. We have thought it well to carry forward the investment surplus account intact, it being the purpose of your Board to set aside in the future a substantial sum to provide a special conflagration fund.

There were issued during the year (including renewals) 33,270 policies, covering insurance to the amount of \$46,084,605.00, the gross amount at risk on the 31st of December, 1904, being \$80,367,062.00.

We have great pleasure in stating that the office and field staffs have performed their duties in a thoroughly satisfactory and efficient manner.

Three Directors, viz., James Gunn, D. Brown and H. Waddington, now retire, all being eligible for re-election. Respectfully submitted.

JOHN DRYDEN,

President.

Toronto, Feb. 20, 1905.

INCOME.

Balance forward from 1903	\$156,705 04	
Less 1903 dividend paid 20th Feb., 1904	2,500 00	
		\$154,205 04
Net Premium income, 1904	535,071 26	
Interest, rent, etc.	9,812 00	
		\$544,883 26

\$699,088 30

ASSETS.

Unassessed portion of premium notes	\$380,123 70	
Assessments levied due 1905	43,746 00	
Less paid in advance	114 73	
	\$ 43,631 27	
Agents' Balances	31,061 96	
Bills and Accounts receivable	49 95	
		74,743 18
Office Furniture, less 25 per cent. written off	6,380 48	
Office Premises	16,000 00	
		22,380 48
Bonds and Debentures	124,223 33	
Mortgage Loans	58,450 00	
Interest accrued	1,888 88	
Cash in Banks and on hand	93,897 76	
		278,459 97

\$755,707 33

OUTGO.

Net Losses, Dec. 31, 1904	\$402,904 13
Agents' Commission	\$98,464 01
Salaries and Fees	20,890 92
Taxes, printing and other expenses	12,259 59
Inspection Charges	8,307 89
	\$139,922 41

BALANCE—

Cash on hand and in banks	\$93,897 76	\$542,826 54
Debentures purchased	4,260 69	
Loaned on Mortgages	25,700 00	
Furniture purchased	1,341 35	
Agents' Balances	31,061 96	
		\$156,261 76

\$699,088 30

LIABILITIES.

TO THE PUBLIC—	
Losses not due	7,420 83
Due for Reinsurance	11,440 77
Sundry Accounts due	293 00
Reinsurance Reserve	342,484 76
	\$361,639 36
TO THE SHAREHOLDERS AND MEMBERS—	
Capital Stock	17,500 00
Investment surplus account	11,982 69
Surplus over all liabilities	364,585 28
	\$394,067 97

H. WADDINGTON, Managing Director. **\$755,707 33**

I have audited the books and accounts, and have verified the securities of the London Mutual Fire Insurance Company of Canada, and hereby certify to the accuracy of the above statements, which correctly set forth the position of the Company as on December 31, 1904.

Toronto, February 15, 1905.

W. H. CROSS, Auditor.

The Annual General Meeting of the Company was held at the Head Office on Monday, February 20, 1905. In addition to the Directors and officials, there were present Mr. Henry Blachford, of Montreal, Mr. L. J. McGhee, of Halifax, Mr. J. C. McCaig, of Richmond, Que., Mr. J. W. Durbrow, of New York, and Mr. W. H. Cross, of Toronto.

In moving the adoption of the report, the President spoke at length, paying a merited tribute of praise, particularly to the agents and field staff of the Company, largely to whose loyal efforts its operations had proved so successful over an extended period of years.

Particulars in detail were given as to the different conflagrations and the immense fire waste during the past year. The motion to adopt the report was seconded by Mr. George Gillies, Vice-President, who, in like manner paid tribute to the loyalty, efficiency and unanimity of action of both the office and agency forces.

Mr. H. Waddington was elected as Director to represent the policy-holders, and Messrs. James Gunn and Gideon Grant were elected to represent the shareholders.

Mr. W. H. Cross, F.C.A., was appointed Auditor of the Company.

THIRTIETH ANNUAL MEETING OF THE

London Life Insurance Co.

The Thirtieth Annual Meeting of the Shareholders and Policy-holders of the London Life Insurance Company was held at the Company's offices, London, Canada, February 13th, 1905.

The President, Mr. John McClary, occupied the chair, and there were present a number of Shareholders and Policy-holders of the Company.

The notice calling the meeting was read by the Manager and Secretary, Mr. J. G. Richter, after which the following Report and Financial Statement was submitted.

THIRTIETH ANNUAL REPORT.

The Directors of the Company beg to submit Annual Report and duly audited Financial Statement for year ending December 31st, 1904.

During the year, 14,194 applications for insurance, amounting to \$2,065,775.40, were accepted and policies issued therefor.

The net Premiums and Interest receipts of the year were respectively \$355,597.92 and \$74,228.11, totalling \$429,826.03, an increase of \$31,814.75 over the previous year.

The sum of \$69,456.40 was paid for Death Claims, Matured Endowments, Surrendered Policies and Cash Profits during the year, an increase of \$4,218.15 over the previous year.

The insurance in force on the Company's books at the close of the year, after deducting all Reinsurances, amounted to \$8,200,297.22, under 4,206 "Ordinary" and 52,627 "Industrial" policies—an increase of 3,131 policies for insurance of \$735,669.55 for the year.

The Assets of the Company, exclusive of uncalled but Subscribed Capital, amount to \$1,643,183.92, an increase of \$180,218.04 for the year. The interest and other payments falling due during the year were in the main satisfactorily met, and no losses in respect of investments were incurred.

The Liabilities of the Company under existing policies, and in all other respects, have been provided for in the most ample manner, the whole amounting to \$1,542,693.33. The surplus on policy-holders' account, exclusive of uncalled but subscribed capital, is on the Company's standard, \$100,490.59, and after deducting paid-up capital, there remains a net surplus over all liabilities and capital, of \$50,490.59, an increase of \$5,955.26 for the year.

JOHN G. RICHTER.

Manager and Secretary.

JOHN MCCLARY,

President.

SYNOPSIS OF FINANCIAL STATEMENT.

REVENUE		ACCOUNT.	
Receipts.		Disbursements.	
Interest	\$ 74,228 11	Paid Policy-holders or Heirs	\$ 99,456 40
"Ordinary" Premiums	118,691 06	Dividend and other Disbursements	153,062 48
"Industrial" Premiums	236,906 86	Balance to Investment Account	177,307 15
	\$429,826 03		\$429,826 03
BALANCE SHEET.		Liabilities.	
Assets.			
Mortgages, Debentures and Stocks	\$1,458,767 20	Reinsurance Reserve, net	\$1,498,079 00
All other interest-bearing investments	105,988 06	Accumulating Profits and Special Reserve	34,400 00
Outstanding and Def. Premiums	34,979 00	All other liabilities	10,214 33
Interest due and accrued	43,449 66	Surplus on Policy-holders' acct (including capital, paid up, \$50,000)	100,490 59
	\$1,643,183 92		\$1,643,183 92

I hereby certify that I have audited the books and accounts of the London Life Insurance Company, and examined their securities for the year ending December 31st, 1904, and find them correct. The above cash statement and balance sheet exhibit the Company's business correctly at the date mentioned.

London, 1st February, 1905.

JAMES McMILLAN, Auditor.

ACTUARY'S REPORT.

The valuation of the Company's policies has been computed on the same basis as that employed for the previous four years, and assumes for all policies except those issued in the "Ordinary Branch since 1st January, 1900, an interest rate $\frac{1}{2}$ per cent. more stringent than that required by the Government standard. The basis of reserves in the "Industrial" Branch is, so far as can be ascertained, higher than that adopted for such business by any other Insurance Company on this continent.

In addition to the reserve liability, special attention should be directed to the item of accumulating profits in order to fully appreciate the financial position of the Company, as presented in the statement. For some years past "with-profit" policies of the Company have been issued under distribution periods of not less than five years, and the usual method would be to ignore the amount of profits accruing on such policies until the distribution periods should be completed. Instead of this, however, all policies are treated as if they were on the annual distribution basis, and the proper proportion of the profits due at the end of the profit periods was computed on each policy, and the total is included in the liabilities. The accumulations under this heading form a very considerable item of liability, which, if treated in the usual manner, would result in a largely increased surplus being shown.

The rates under which the "Ordinary" Policies of the Company are now issued came into force on 1st January, 1900, and consequently the first profit distributions under these policies are made this year. It is satisfactory to note that these distributions are fully in accordance with the scale of profits issued to our agents five years ago, except that in the case of those policies where a Provincial tax is imposed on the premium income of the Company, the tax payable on such policies is deducted from the profits otherwise allotted thereto. The interest earnings of the Company having steadily improved since 1900, there is good reason to anticipate that the liberal scale of profits now in force is a conservative estimate, and likely to be maintained for some time to come.

During the past year the policies of this Company in force on the 31st December, 1903, were valued by the Insurance Department at Ottawa, as by law required. The result of this valuation shows that the Company held at that date reserves in excess of what is required by the present Government standard to the amount of \$28,613 in the "Ordinary" Branch, and \$31,646 in the "Industrial" Branch, or a total excess reserve of \$60,259.

E. E. REID, B.A., A.I.A., Actuary.

The President, Mr. John McClary, in moving the adoption of the Report said:

The Report of the Directors and accompanying Financial Statement are, as heretofore, very full, and present the affairs of the Company in such manner as to be readily comprehended.

The new business of the year was the largest in the history of the Company, and the increase in total insurance in force at the close of the year was likewise favourable. The Cash Income from Premiums and Interest shows a good increase over the previous year, and payments to policy-

LONDON LIFE INSURANCE COMPANY.—Continued.

holders under the various headings also aggregate somewhat more than did the payments for 1903, though death losses in the "Ordinary" Branch were much more favourable than for the year previous.

Reference to the list of assets of the Company will show that the funds of the Company are invested in securities of undoubted character, and as the average rate of interest realized was 5.64 per cent. on the mean invested assets of the year, the investments have proven fairly remunerative as well.

The Reserve and other Liabilities of the Company have, as shown by the Report of the Actuary, been taken account of in the most ample manner. So much so is this the case as regards the Reserve Liability in particular, that a word of explanation in this connection may be in order. In 1899, the Parliament of Canada passed an Act changing the standard of valuation of Life Insurance Policies as regards rate of interest to be employed, from $4\frac{1}{2}$ per cent. to $3\frac{1}{2}$ per cent., from and after the 1st January, 1900, in respect of all new business issued thereafter, and in respect of the then existing business, the Companies are given until the 1st January, 1910, to bring the Reserve valuations to a 4 per cent. basis, and to 1st January, 1915, to come to a $3\frac{1}{2}$ per cent. basis, which will thereafter be the rate applicable in like manner as in the case of new business issued since 1900. In order to comply with these requirements in a proper manner it is necessary to make provision in the meantime for the extra liabilities that will have to be accounted for at the times above stated. It is a source of no little satisfaction to know that the valuation of all old business of this Company is already being made on a 4 per cent. basis, and that the Company is each year setting aside a further sum towards bringing the valuation to a $3\frac{1}{2}$ per cent. basis at an early date, and hence the reason of the Reserve Liabilities, on the Company's standard, being so much in excess of the Government standard, as is indicated in the Report of the Actuary.

The surplus of assets over all Liabilities and Capital, amounting to \$50,490.59, being ascertained on the very stringent basis indicated in the Actuary's Report, is all that the term implies, and not subject to any deductions whatever, as is so often the case in the make-up of Financial Statements.

I have much pleasure in moving the adoption of the Report.

The Vice-President, Mr. A. O. Jeffery, K.C., LL.D., D.C.L., in seconding the adoption of the Report said:

After the very exhaustive manner in which the President has dealt with the affairs of the Company in moving the adoption of the Report, no extended remarks in reference thereto would seem to be further called for.

I would, however, point out that, notwithstanding the very considerable increase in the new business of the year over any previous year of the Company, the ratio of expense to income has not been materially increased, but stands at 34.7 per cent. for both branches, which is practically the same as for the year previous. In order to arrive at the ratio of expense to income of the respective Branches, it is necessary to apportion the total interest income between the "Ordinary" and "Industrial" Branches. On basis of the respective funds of the two Branches the share of interest apportionable to the "Ordinary" Branch is \$32,629.98, and to the "Industrial" Branch \$41,591.13. It is likewise necessary to apportion the miscellaneous expenditures aggregating \$48,444.80, which, on the basis of respective income, would be \$16,169.78 for the "Ordinary" and \$32,274.81 for the "Industrial." On this basis the ratio of expense to income of the "Ordinary" Branch for the past year was 25.3 per cent., and of the "Industrial" Branch 39.2 per cent., which, having regard to the character and value of the business transacted and the exceptionally good interest earnings of the Company, is a very good showing.

There is one other point to which I wish to call attention, viz., that the "Ordinary" claims for the past year amounted to only 81 per cent. of the interest received from the investments of that Branch, which, considering the age of the Company, is very favourable.

In the "Industrial" Branch the claims exceeded the interest receipts somewhat, but amounted to a little under 23 per cent. of the "Industrial" premiums received, and to only 19.5 per cent. of the total premium and interest receipts of that Branch.

With these remarks I beg to second the adoption of the Report.

The Report was adopted unanimously.

A cordial vote of thanks was tendered the Agents and other employes of the Company for the very satisfactory manner in which they had discharged their several duties during the past year.

The election of Directors resulted in the re-election of John McClary, President; A. O. Jeffery, Vice-President; Judge Bell, W. Bowman, W. F. Bullen, Thos. H. Smallman, Geo. C. Gibbons, A. S. Emery and Thos. W. Baker.

PERSONALS.

Mr. F. SPARLING, Secretary of the National Life Assurance Co., Toronto, was in Montreal for a few days this week. The Company is well pleased with the business being done in this Province.

Mr. J. E. E. DICKSON, Manager Law Union and Crown Insurance Co., left last night for Toronto. Before returning he will visit the different agencies of the Company in Ontario.

AN AGENT'S QUESTION.—It is questionable if the decision of the Iowa Supreme Court given out last week on the binding power of an agent, is either common sense or good law. The "Insurance World" reports on it as follows:—

"This is the case of the Liquid Carbonic Acid Co. vs. Phoenix, of London. The company's contention is that the insured absolutely violated all of the policy conditions. In the lower court the Judge took the case away from the jury and confirmed the position taken by the Phoenix. The Supreme Court now reverses the lower court on these general grounds:

"Section 1750 of the Iowa laws is quoted. It is as follows:

"Any officer, agent or other representative of an insurance company doing business in this State, who may solicit insurance, procure applications, issue policies, adjust losses or transact the business generally of such companies, shall be held to be the agent of such company, with authority to transact all business within the scope of his employment, anything in the application, policy, contract, by-laws or articles of incorporation, to the contrary notwithstanding."

Upon this statute the judge builds his decision, which in effect is that the agent's powers were not so limited that any waiver made by him was not binding upon the insurer. The following is a fair sample of his deductions:

"The legislature, having in mind the power of the local agent under the decisions of this and other courts in the absence of such restrictive clauses and the decisions made necessary by them, undoubtedly enacted the statute for the express purpose of prohibiting the limitation of the agent's power by provision in the contract."

The general deduction being that the agent had full power to override not only the policy contract, but his own specific contract with the company as its agent. If such a decision should stand, it would place the fire insurance business at the mercy of any irresponsible scalawag agent who, by some means or other, had secured a certificate of authority.

THIRTY-THIRD ANNUAL REPORT
OF THE
CONFEDERATION LIFE
ASSOCIATION

Head Office: TORONTO.

FOR THE YEAR 1904.

Cash Statement.

RECEIPTS	DISBURSEMENTS
Premiums..... \$1,234,298 05	To Policy-holders—
Annuities..... 33,759,22	Death Claims..... \$360,190 25
	Endowments..... 237,233 60
	Annuities..... 19,208 22
	Surrendered Policies. 49,169 60
Less Re-Ass'ce Premiums 5,712.31	Cash Profits..... 65,590 12
Interest and Rents (net)..... 439,754.46	
	Expenses, Salaries, Commissions, etc.... 331,402 28
	Dividends to Stockholders..... 15,000 00
	Balance..... 624,305 35
\$1,702,099 42	\$731,391 79
	\$31,402 28
	15,000 00
	624,305 35
	\$1,702,099 42

Balance Sheet

ASSETS	LIABILITIES
Mortgages..... \$4,063,551 47	*Reserve on Policies and Annuities (Com- pany's Standard)..... \$9,519,733 07
Bonds, Debentures and Stocks..... 3,095,201 94	Death Claims accrued, not adjusted.... 28,080 00
Real Estate, including Company's Build- ings at Toronto and Winnipeg..... 1,366,254 92	Policy-holders' declared profits Cash and Temporary Reductions..... 75,918 34
Loans on Stocks..... 42,013 39	Capital Stock paid up..... 100,000 00
Loans on Company's Policies..... 1,146,177 55	Sundry Items..... 17,915 42
Sundry Items..... 26,411 13	*Cash Surplus above all Liabilities (Com- pany's Standard)..... 610,495 96
Cash in Banks and H. O..... 66,135 42	* (The Reserve, according to the less strin- gent Standard of the Government of Canada, is \$9,269,595.00, and the Cash Surplus, according to the same Standard, over all Liabilities is \$860,633.96.)
Interest and Rents Due and Accrued..... 179,923 31	
Net Outstanding and Deferred Premiums (Reserve thereon included in Liabilities). 366,453 59	
\$10,352,122 72	\$10,352,122 72

SECURITY FOR POLICY-HOLDERS.

Cash Surplus above all Liabilities, Government Standard.....	\$860,633 96
Capital Stock Paid up.....	100,000 00
Capital Stock, Subscribed, Uncalled.....	900,000 00
TOTAL SURPLUS SECURITY FOR POLICY HOLDERS.....	\$1,860,633 96

INSURANCE ACCOUNT.

APPLICATIONS RECEIVED, 1904 (Gain over 1903, \$ 904,863.00)	\$5,243,894 00
NEW INSURANCE WRITTEN 1904 (" 880,015.00)	5,017,988 00
INSURANCE IN FORCE (" 2,660,464.00)	39,347,847 00

Full reports of the Annual Meeting, which was held at the Head Office of the Association on February 14, 1905, are in press and will shortly be issued on application.

W. H. BEATTY, Esq., President.

W. D. MATTHEWS, Esq., FREDERICK WYLD, Esq., Vice-Presidents.
Directors:—Hon. Sir W. F. Howland, Hon. Jas. Young, S. Nordhelmer, Esq., A. McLean Howard, Esq.,
Geo. Mitchell, Esq., E. B. Osler, Esq., M.F., D. R. Winkle, Esq., Wm. Whyte, Esq.,

J. K. MACDONALD, Managing Director.

MONTREAL BRANCH:

174 St. James Street.

H. J. JOHNSTON, Advisory Director.

J. A. RAYMOND, Special Agent French Department.

A. P. RAYMOND, General Agent French Department.

J. P. MACKAY, Cashier.

OHIO INSURANCE DEPARTMENT REPORT.

The superintendent of the Insurance Department, Ohio, has favoured us with a sheet giving in advance of his annual statement the returns of certain classes of the companies in that State for year 1904.

Ohio has no lack of insurance companies, for the return gives the statistics of 120 relating to income, disbursements, assets, risks written and in force of assessments, fire and miscellaneous associations transacting business in Ohio.

The number of very small companies is quite remarkable. The total income column, income which includes "borrowed money," shows 5 companies had less than \$95, 7, from \$105 to \$205, 10, \$205 to \$409; 9, \$409 to \$800, 9, \$800 to \$1,200; 13, from \$1,200 to \$3,000; 15, from \$3,000 to \$5,000, 23, from \$5,000 to \$11,000, 12, from \$11,000 to \$20,000. Here we have 103 insurance companies, whose average income, "including borrowed money" last year, was under \$4,000.

The total cash assets of these 120 companies at close of last year was \$64,557, only one being over \$10,000, and all but 11 below \$1,000, and about 80 of them with cash assets below \$500, indeed quite a number only assets below \$20.

The losses paid during last year amounted to \$337,096, for which assessments were made, fees and premiums charged to extent of \$433,484. The losses unpaid were \$50,196, and other, unclassified, liabilities, \$69,830.

On these very slender foundations these 120 Ohio companies are carrying risks to amount of \$219,977,759.

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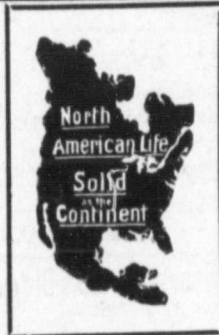
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JOHN L. BLAIKIE, President
L. GOLDMAN, A.I.A., F.C.A., Managing Director

Record for 1904 of the North American Life Assurance Company.

Policies issued.....	An increase over 1903 of \$645,935	\$6,530,825
Insurance in force.....	An increase of \$3,005,095	35,630,188
Income.....	An increase over 1903 of \$122,700	1,504,063
Payments to policy holders.....	An increase over 1903 of \$137,918	561,136

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A good Company for both policy-holder and agent.

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HEAD OFFICE FOR CANADA, 17 Notre Dame Street, Montreal

MATTHEW C. HINSHAW, Branch Manager