

## Prominent Topics.

**Canada U. S. A.** We are in receipt of a letter from Melbourne, Australia, addressed, THE CHRONICLE, CANADA, U.S.A.

We are afraid that this is anticipating.

**Canadian Crops.** There has been some frost in the western provinces this week, but not enough to do any harm to the standing wheat. No damage is reported, cutting is fairly commenced and the weather at present is ideal for the crops. Prospects were never better.

**Canadian Northern Terminus.** There is much curiosity as to where the Canadian Northern is likely to have its Montreal terminus. While nothing definite is known to the public, we would not mind hazarding a guess that the station will be somewhere in the vicinity of St. James Methodist Church.

**American Bonds.** An article in Moody's Magazine says that in round numbers \$1,500,000,000 of American bonds are marketed every year and almost all pass through the hands of American bond houses. Of this \$1,500,000,000 of bonds one-third is absorbed by insurance companies, savings banks, trust companies and other banks (in approximately equal amounts) and the remaining two-thirds by corporations (for reserves, etc.), and by private investors.

**City Paving Held Up.** The Montreal Road Department's work on new pavements and sidewalks is reported to have been held up for want of cement, the Canada Cement Company having failed to make deliveries. The Company attribute the delay to labor troubles. The city is such a large and permanent consumer of cement that we believe it would pay the corporation to manufacture its own cement. The process is simple and the outlay for plant would be small.

**Life Insurance in New York State.** The extent of the life insurance business transacted in the State of New York may be seen by the following figures of business at the close of 1910:—Policies in force, 5,803,784, insuring \$2,563,052,465; policies issued, during the year 925,963, insuring \$363,263,781. The assets of the New York and other States companies at the close of the year were \$3,693,248,328, an increase over the previous year of \$225,773,507. The liabilities of the various companies, excluding gross surplus and special funds, were \$3,404,714,255. The gross surplus and special funds amounted to \$198,534,073. The total income was \$176,652,736, a total gross increase of \$25,517,610. The disbursements for the year are shown to have been \$495,365,049,

of which \$365,790,650 was paid to policyholders, while the cost of management, including dividends to stockholders, was \$129,574,399. There was an increase of insurance in force of \$135,198,259 over 1909, and a decrease in insurance written and paid for of \$8,756,689.

**Lloyds and Scares.** "When some important national or international question is in the balance," observes the Policyholder of Manchester, "the public takes the institution known as Lloyds far too seriously, for, as a matter of fact, Lloyds Underwriters are a very good second to the members of the Stock Exchange as scare-mongers. Everyone must have noticed from time to time scare-lines in the daily press to the effect that Lloyds are charging higher or lower rates for insuring against this or that contingency, and it is generally assumed that the underwriters are acting on special knowledge. As a matter of fact this is not the case, for with the exception of the marine department, Lloyds Underwriters are not credited in insurance circles with having much knowledge of the business of insurance or with transacting this business on scientific lines." It is pointed out that when the risks to be covered belong to one of the recognised branches of insurance, Lloyds usually "follow" the rates charged by the ordinary insurance offices. The insurance companies, to solve the business problems, tabulate their experience and calculate the rates which must be charged to secure a proper return, but Lloyds Underwriters reap the benefit of this work by "following" tariff rating, sometimes with a "cut" which they can afford because they have none of the expenses which the investigation entails. Moreover, the fire waste of the community would be far greater than it now is and rates correspondingly higher were it not for the suggestions made and the precautions insisted upon by the trained and experienced officials attached to all the regular insurance companies, who, so far as is known, have no counterpart in the organisation of Lloyds. "But when," continues the Policyholder, "it comes to insuring against another general election, against the failure of the King to appear at his Coronation, against a war with Germany, against an election petition and the like, in our opinion Lloyds system of rating is comparable to the methods adopted by the street auctioneer—it is largely a question of bluff, or get the best rate you can. So the general public should not attach much importance to announcements that Lloyds rates have advanced or been reduced. A Member of Parliament thinks he would like to be on the safe side as regards his expenses if an election should suddenly come about. He takes out a policy at Lloyds and this is duly announced in the press and a few other men go and do likewise, and Lloyds promptly put up the rate, not because the risk is greater, but because the first announcement has created a small scare. These freak insurances are really a wild gamble, a pure speculation, and they must not be regarded seriously. The law of average is the basis of insurance but the law of average never comes into operation with the gambling insurances to which we have referred."