

# The Chronicle

## Insurance & Finance.

R. WILSON SMITH,  
Proprietor.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

VOL. XXIII. No. 43.

MONTREAL, FRIDAY, OCTOBER 23, 1903.

SINGLE COPY - - 10c.  
ANNUAL SUBSCRIPTION - \$2.00

### The Chronicle's New Offices.

Our friends at a distance when visiting this city, as well as local ones, are invited to make free use of the library which forms part of

THE CHRONICLE'S new offices in the Guardian building, St. James St. They will find a large fyle of current insurance journals and other newspapers which are always at the service of visitors. The collection of insurance and parliamentary literature of all classes in our library is certainly unrivalled in Canada, and will favourably compare with any in the old land, or the United States. It will always be a pleasure to see visitors availing themselves of the opportunities afforded by this cordial invitation.

By the just issued report of the Register of the Treasury, Washington, we learn that, out of \$15,065,750 Government bonds owned

### Holdings of United States Bonds.

by outsiders, \$11,154,000 are in the hands of foreign insurance companies, which are required to be held as a deposit with the Insurance Commissioner of the State in which a company does business in proportion to such business. It would appear then from this return that only \$3,911,250 of United States bonds are held outside that country by individuals, no doubt a large portion being owned by the American wives of British noblemen. The National Banks are stated to have Government bonds on deposit to extent of \$506,463,350 as security for their note issues and Government deposits.

The bonds of the various loans, on June 30, 1903, were held in the United States as follows: Lodges, \$1,750,410; societies, \$2,439,340; individuals, \$205,846,810. With the Treasurer of the United States, in trust, \$498,477,140; in banks, \$63,098,830; insurance and trust companies, \$14,294,570. Total, \$786,262,100. The bonds of the United States held in that country on 30th June last are given as \$786,262,100, of which \$14,294,570 are held by insurance and trust companies, \$63,098,830 by banks, and \$205,846,810 by individuals, the bulk of the balance being pledged with the treasury.

### English Government Insurance a Failure.

Looking at the just issued report of the British Post Office Insurance Department recalls the old saying about the mountain giving birth to a mouse. In the past year the British Government insurance offices secured business to the extent of \$173,230! The total insurance in force on 31st December last, amounted to \$3,786,100. The funds invested, \$1,591,700, are all in Consols, which yield an average of 2 1-2 per cent. It cannot be worth while keeping up a system which has been so unsuccessful in securing public support. The Canadian and American life companies are making advances wherever they are seeking business in Great Britain. Against their energetic methods, the apathetic, non-advertising system of the British Government has no chance.

### Why Insure Bad Risks?

After fires which break out in buildings of defective construction that, from every standpoint, are bad risks, surprise is expressed at insurance companies covering such properties. Their management is censured and uncomplimentary remarks made with intimations that, in the opinion of the critic, rates would be generally lower were all bad risks avoided. Insurance companies are, however, not in a position to take only what may be termed "gilt-edged" fire risks. Indeed, it is much less easy than is generally supposed for a hard and sharp line to be drawn between first-class risks and those of a low grade. One has only to look around any city to be convinced that the greater majority of fires occur in solid buildings that seem to be most excellent risks, while houses, whole districts indeed in some cities, that seem very hazardous, are very rarely visited by fire. Where there is consciousness of danger from fire there is apt to be more care taken to guard against it than where no risk is apprehended as existing. No fire company could exist were it to refuse all hazardous risks for usually the owners of such properties have other business of a higher class to offer, and the company that